



EUROPEAN NEWS

EEC ministers close to new jobs strategy

BY JAMES BUXTON IN EDINBURGH

EEC EMPLOYMENT ministers are close to accepting a new strategy for fighting unemployment which would concentrate on helping small businesses and foster more flexible working practices. This follows an informal meeting of Community Employment Ministers in Edinburgh, which ended yesterday.

Lord Young, British Secretary of State for Employment, who chaired the meeting as part of Britain's Presidency of the Council of Ministers, said he believed the meeting had "changed the dialogue in the EEC, as far as employment ministers are concerned. This is only a beginning but it could transform what the EEC does."

The ministers met to consider a document on employment growth drafted by the British, Italian and Irish employment ministers, of whom the latter two are from Socialist parties. The document sets out about 40 proposals for easing the constraints on people obtaining jobs.

The four main themes of the proposals are help for small businesses and self employment; encouraging more flexible working practices; better training; and greater assistance for the long-term unemployed.

Following the favourable outcome of the two-day informal meeting, the document will be elaborated before being presented in the form of a resolution to the next formal council of employment ministers which takes place in December.

The two British ministers, Lord Young and Mr Kenneth Clarke, Employment Minister, yesterday presented the outcome of the meeting as a considerable success for the British Presidency.

"For years the Commission has served up the Council of Ministers with a diet of draft proposals on employment rights and protection which the council was always turning down," said Mr Clarke.

"Now they are going to have to start working on more proposals for aiding employment by easing constraints. We may ask the Commission to draft new directives, but only if we need them."

There had been no dissent among the ministers at the meeting, Lord Young said.

The new approach appeared to have the support of Mr Jacques Delors, the President of the EEC Commission.

Ecevit acquitted of violating political ban

A TURKISH criminal court yesterday acquitted former Premier Bulent Ecevit on charges of violating a law barring him from political activity, AP reports from Ankara.

In the second hearing of a trial that began in July, the prosecutor asked for Mr Ecevit's acquittal, saying support of a party does not constitute violation of the political activity ban.

The judge concurred and ruled for acquittal.

The prosecutor had charged that Mr Ecevit participated in active politics when he attended and addressed a Convention of the Democratic Left Party on May 18. The party is headed by his wife.

Mr Ecevit and 100 other former politicians, cannot join, lead or be affiliated with political parties or run for elective office until 1992.

Legally speaking, euthanasia remains a criminal offence punishable by imprisonment for up to 12 years or a heavy fine. In practice, however, it has occurred more and more frequently since a 1973 Supreme Court decision that justified mercy killing under certain conditions. A Friesland physician was given only a token sentence after she granted her mother's plea to be released from unbearable pain by death.

Another Supreme Court decision in 1984 upheld the earlier ruling. Rising cancer rates, major medical advances that can prolong life and a greater willingness to discuss the subject have also increased the number of instances in which death is aided by a doctor.

Deaths from euthanasia have been estimated as high as 20,000 a year, or 1 in 15 of all mortalities, although no official figures are available. Between 10,000 and 12,000 are believed to be cases of "passive" euthanasia, where medical

Laura Raun in Amsterdam reports on an ethical issue with political implications  
Euthanasia debate divides Dutch public

EVERY day in The Netherlands at least 20 people are believed to die at their own request through mercy killing. Euthanasia may be no more common among the Dutch than in other industrialised countries — although many think it is — but they may be the first people to legalise it.

A legislative bill that would permit mercy killing by doctors under strictly defined circumstances, the first of its kind in the world, was introduced 2 1/2 years ago by the Democrats '66 party, and the ruling Christian Democrat - Liberal coalition has promised to reconsider the highly emotional issue again by next January.

Popular support for mercy killing seems to be more widespread than elsewhere in Europe or the US although per-

treatment is halted or medicine such as painkillers is given, which hastens dying. "Active" euthanasia accounts for between 9,000 and 10,000 deaths.

Her physician aided her suicide after repeated requests from her and consultation with colleagues and was acquitted of any wrongdoing by the court.

The issue has already caused serious dissent within the Government coalition. The Christian Democrats, an

Opponents argue vehemently that changing the penal code could jeopardise their right to live. The church, elderly people and patients have voiced fears that a euthanasia law could be abused. The Roman Catholic bishops have branded the euthanasia lobby as a "descent into barbarity" while the Netherlands patients' organisation has warned of a "fear psychosis" among nursing home residents.

But the Dutch Association for Voluntary Euthanasia and many in the medical profession say that legislation is needed urgently to clarify everyone's rights. Five court cases are pending against doctors accused of unlawfully taking a patient's life.

The 25,000-member Voluntary Euthanasia Association, founded in 1973, provides no "suicide cocktails" but puts patients in contact with doctors willing to help in death. More than 30 volunteers work in the "members aid service" which offers information and advice on the medical, legal and ethical aspects of euthanasia to patients and doctors either directly or through associated physicians, lawyers and clergymen.

Doctor Leo Fretz, Professor of Social Ethics and Political Philosophy at Delft Technical University and chairman of the Association said in an interview that he expected legal change. "But I don't exclude that more court judgments would make a change in the law unnecessary and that punishment under medical disciplinary law would be reduced," he added.



Mr Raun Lubbers

Doctor Fretz pointed out that the desire for wide public debate and individual freedom had had a high priority in the country since the time of Erasmus, the humanist philosopher.

"We like to be sincere," he said. "We are an open people with intensive public debate on moral issues such as cruise missiles, nuclear energy, homosexuality and incest."

One member of the Association, a man suffering from debilitating lung cancer which placed a burden on his family, had told them of his plan to die, which they had accepted. The family respected his desire to avoid a life of pain and degradation, his widow said. "It was better that way, a chance for us to say goodbye to him before it was all over."

Tensions rise over Czech border incidents

BY LESLIE COLTIN IN BERLIN

TENSIONS have risen over border incidents between Czechoslovakia and its two Western neighbours, despite a warm glow of East-West satisfaction over the just-ended Stockholm conference on disarmament and security.

In talks at the United Nations with the Czechoslovak Foreign Minister, Mr Bohuslav Choupek, West Germany's Foreign Minister, Mr Hans Dietrich Genscher, today is to take up the fatal shooting last week of a West German citizen by Czechoslovak border guards.

West Germany launched a strong protest with the Prague Government at the weekend over the shooting of a retired West German army officer, who was said to be strolling along the border on German territory.

In another incident, the Bavarian police said yesterday that two East Germans who fled across the Czechoslovak border to West Germany were fired on by border guards. The West Germans were investigating whether any shots had fallen on their territory.

The Austrian Foreign Ministry charged on Monday that Czechoslovak border guards commanded their shepherd dog to attack an Austrian who was picking mushrooms and dragged him across the border. He was held for seven hours and released after signing a statement.

Firms to borrow more

Finland will borrow FM 14.7bn (€2,02bn), some 23 per cent more than in the current year, to balance its budget for 1987, which was sent to the Helsinki Parliament yesterday, Reuter reports.

The 23 per cent rise in borrowing follows an increase of only 13 per cent in 1986. Firms will pay a few per cent more for drinks, tobacco and fares. But tax scales will be revised downwards by 4 per cent. Taxes on property will be slightly eased to boost the private sector.

**Unemployment report**

THE REPORT Reducing Unemployment in Europe; the Role of Capital Formation has been published by the Centre for European Policy Studies as CEPS Paper No 28 and not by the European Commission, as reported in yesterday's Financial Times.

Fears of Norway oil rig cuts

BY FAY GJETER IN OSLO

THE NORWEGIAN Shipowners' Association fears that more than half of its members' mobile oil rigs, and a third of their offshore supply vessels will be unemployed by the end of this year.

Its latest quarterly report notes that for a long time, the offshore sector has provided a "valuable supplement" to traditional shipping activities.

The oil price collapse has, however, "dramatically changed" the situation, leading so far this year, to a 25 per cent cut in oil company exploration budgets.

"About half of the planned new wells on the Norwegian shelf in the current season have been postponed. Developments in 1987 can lead to further cuts," it predicts.

The Association's quarterly statistics show that on September 1 their members owned 52 drilling, accommodation or construction auxiliary rigs, 20 of them Norwegian-registered.

On that date, eight of the Norwegian flag rigs were laid up, and 14 of the foreign-registered units. Of 190 Norwegian-registered supply and service vessels, 40 were laid up.

Of 77 such vessels owned by Norwegian companies, but registered abroad, five were laid up.

The report contrasts the gloomy picture offshore with the improvement in the tanker market, where volumes shipped have risen.

The Association warns, however, that tanker fleet capacity still exceeds total demand, and suggests there is a danger that "the temporary improvement in the market may arrest the process of adjustment needed to rid the world tanker fleet of its surplus tonnage."

The Norwegian-registered merchant fleet shrank by 53 units, totalling 4m dwt, during the first eight months of this year, to 614 units totalling 12.5m dwt.

Irish minister dismissed over 'conflicting interests'

BY OUR DUBLIN CORRESPONDENT

THE IRISH Prime Minister Dr Garret FitzGerald, had dismissed a junior minister in his Cabinet following claims of a conflict of interest in business dealings.

Mr Eddie Collins, a Fine Gael Deputy and Minister with responsibility for energy, said yesterday that Dr FitzGerald had sought his resignation but he had refused to agree to this because he felt there were no grounds for his standing down. Dr FitzGerald then dismissed him.

The controversy surfaced earlier this year when Mr Collins' family company encountered financial difficulties. Guidelines for Irish ministers preclude day-to-day involvement in business interests, but there were allegations that Mr Collins had been intimately involved. These led to a meeting last January between Dr FitzGerald and his junior energy minister, after which the Irish Prime Minister assured parliament that Mr Collins had severed all direct connections with the company.

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EUROPEAN NEWS

Vienna talks given fresh hope by Stockholm accord

By Patrick Blum in Vienna

PRELIMINARY WORK on the third follow-up Conference on Security and Co-operation in Europe (CSCE) started in Vienna yesterday with fresh hope following the agreement in Stockholm on Monday. Opening the 35-nation meeting, Mr Peter Jankowitsch, Austria's Foreign Minister, said the Vienna conference could start a "new era of detente" but warned there were still too many violations of the Helsinki Final Act signed in 1975. The Final Act launched the Helsinki process which aimed to reduce tensions, promote disarmament and increase confidence between East and West through closer links, economic co-operation and the promotion of human rights. Mr Jankowitsch said it was necessary to make a realistic assessment and the "right diagnosis" about the state of East-West relations with a full and frank review of progress under the Helsinki agreement. "Again and again we have to register grave violations of the Helsinki Final Act. Again and again the overall positive trend is interrupted by serious setbacks. This discrepancy between words and deeds dam-

ages the credibility of the CSCE process and represents the biggest barrier for its future development," he said.

The Stockholm agreement will help to improve the climate of relations between East and West but in spite of this success the ability of nations to reach consensus had seriously declined in recent years and there were still dangers of "stability" and "confrontation".

The meeting will last a maximum of two weeks during which it will establish a timetable and an agenda for the full conference starting on November 4.

Western delegates hope the conference will speed up progress, possibly until Christmas to review progress since Helsinki than the three weeks spent at Stockholm. Western nations will also be pressing the conference to focus more on human rights and human contacts as key elements in developing confidence.

"A balance has to be found between human rights principles and military aspects of security. The non-military aspects of security are as important as the military ones. Respect for human rights increases security," said a Western diplomat.

Sweden set for public sector strike

By Sara Webb in Stockholm

THE SWEDISH public sector unions have threatened to come out on strike next Tuesday following the breakdown in wage negotiations last Friday.

The unions, who represent about 1.5m civil servants and local government workers, have announced that members in key administrative positions will be called out from noon Tuesday to cause the maximum harm for the Government without "hurting ordinary people."

The plan is to call out train ticket collectors and sellers (which would allow people to use the state railway system without paying), post office workers, and customs officials — a move which the unions calculate could cost the Government SKr 1bn (£170m) a week.

The union for municipalities and county council workers has said its 600,000 members will operate a work-to-rule, while dock and traffic workers will come out on strike.

public sector employees want an agreement which brings them in line with private sector workers, who reached an agreement in the spring whereby wages would rise by 9.5 per cent in 1986-87.

Chernobyl close to worst possible

By David Fishlock in Vienna

THE SOVIET nuclear explosion at Chernobyl in April came close to being the worst kind of accident imaginable to a nuclear reactor, experts who analysed the Soviet accident report have concluded.

The victims were 300 nuclear employees and firemen, of whom 31 have died so far. But no member of the public has been put in hospital by Chernobyl's radiation.

These are among the conclusions of the International Nuclear Safety Advisory Group (INSAG), a standing committee of nuclear safety experts.

This committee has studied the lengthy Soviet accident report delivered to a post-mortem on Chernobyl last month, and

have cross-examined a Soviet delegation drawn from officials masterminding the post-accident recovery operation.

Its report is being submitted to a special conference of the International Atomic Energy Agency in Vienna today for formal acceptance by the governing body of the UN agency.

It is expected to be published later this week.

The INSAG committee, under the chairmanship of Dr A. P. Vuorinen, chief nuclear inspector of Finland which operates both Soviet and Western reactors, found Chernobyl was almost a "worst case" in terms of the risks of nuclear energy.

Explosive reactions destroying the cores of reactors have

been reported before, but only in small experimental reactors, in the US and Canada.

At Chernobyl, a "super-prompt" critical excursion occurred in a 1,000 Mw power-producing reactor, the experts conclude.

Its fuel disintegrated into incandescent particles as fine as face powder, causing a violent steam explosion in the cooling water, which lifted the 1,000-tonne reactor roof and ruptured all cooling water connections.

A second explosion is still not fully explained.

The experts find "potential for improvement in the design and operation of nuclear power plants." It says the accident was caused by a "remarkable range of human errors and

violations of operating rules in combination with specific reactor features which compounded and amplified the effects of the errors and led to the reactivity excursion."

Two vital conclusions drawn are:

● The importance of placing complete authority and responsibility for plant safety on a senior member of the operating staff. At Chernobyl, the reactor was handed over to a contractor for experiments before being shut down for maintenance.

● The importance of cultivating a "nuclear safety culture" at nuclear plants to reinforce formal operating procedures. The experts say the Soviet report was "thorough and professional."

Austria orders N-plant dismantled

By Patrick Blum in Vienna

THE AUSTRIAN Government has ordered the dismantling of the Zwentendorf nuclear power plant, the country's only nuclear power utility, thereby ending years of speculation about the plant's future.

Dr Norbert Steger, the Vice-Chancellor and minister responsible for energy, has asked the state electricity company "immediately to begin with the liquidation of the assets (of the plant) in a business-like and economic way."

The plant which has cost over Sch 1bn (£520m) was completed in 1979 but never used because a referendum in the same year came out against commissioning it.

Several subsequent attempts to overcome constitutional obstacles to putting the plant into operation failed, and the recent accident at Chernobyl sealed its fate.

Bechtel International of the US has made a study on various ways of liquidating the plant, including selling it off in parts, but none of the options are expected to recoup the plant's cost until now.

A complete demolition would take about seven years and cost \$105m (£70.9m).

Britain in bid to break air fare deadlock

By Quentin Peel in Brussels

TRANSPORT Ministers of the EEC have been summoned to a special meeting next week in a bid by the British government to break their long-standing deadlock over liberalising air routes and clearing the way for cheaper fares.

The whole informal council meeting in London will be devoted to air transport, Mr John Moore, British Transport Minister and current chairman, said yesterday.

He spelt out his aim to make

significant progress in liberalising air fares and routes, in spite of the opposition of a majority of member states, in a speech to the transport committee of the European Parliament.

Mr Moore set out four steps as the core of a package which should provide "the first step towards aviation liberalisation" in the Community:

● Allowing airlines to set their own fares, vary their prices, and get them approved without

having to consult other airlines;

● Break the "stranglehold" of 50:50 sharing arrangements between airlines;

● Ensure easier market access for newcomers or competing airlines;

● Enforce EEC competition rules in air transport.

"The consumers of Europe have suffered too long from inflexible fares and other arrangements," Mr Moore said.

The British effort to press the liberalisation package through the council will proceed in parallel with the European Commission's action to start the process of competition proceedings against the major European airlines.

The Commission has agreed on a two-month extension for several of the airlines to reply to its charges of price-fixing and operating cartels on major EEC routes.

Chrysler to step up its exports to Europe

By Peter Bruce in Bonn

CHRYSLER, the US car producer, plans to re-enter the European market on a larger scale by stepping up exports of US-built cars and trucks, Reuters reports.

Mr Robert Lutz, Chrysler's executive vice president for international, truck and component operations, said yesterday that the number three US car maker believed its minivans, sporty Daytonas cars, new Dodge Shadow compacts or the new Chrysler LeBaron coupe — which goes on sale in the US next year — were potential candidates for export to Europe.

"We're initially not talking about tens of thousands, certainly not about hundreds of thousands," Mr Lutz said.

But Chrysler's position as the low-cost US producer, coupled with a weak dollar, could permit the company to emulate Japanese car makers in increasing its presence in the European market, he said.

"I think we can go after the mainstream of the European market, not just the exotic niches."

Chrysler divested its European operations several years ago when it was facing bankruptcy. Earlier this year the company sold off its 15 per cent stake in Peugeot, the French car group which it received earlier in exchange for its European operations.

Meanwhile, Chrysler has half completed its programme to reduce costs by \$2,500 per car to achieve manufacturing cost parity with Japanese competitors, Mr Harold Sperlich, Chrysler Motors president said.

Mr Sperlich said \$500 of the cost disadvantage identified two years ago represented fixed costs such as manpower and overhead while \$2,000 represented variable costs in such areas as manufacturing efficiencies, costs of components and currency fluctuations.

"A great part of the savings must be on the parts we buy," he said. Mr Lutz, who joined Chrysler nearly four months ago after a long career as a top Ford Motor executive, including chairmanship of Ford's European operations, said Chrysler exports only "modest quantities" of vehicles to Europe at present.

"I would hope we could begin in calendar 1987 with serious shipments of cars."

Although volumes will be under 10,000 a year for the first two years, Mr Lutz predicted that within a few years Chrysler would export more cars from the US to Europe than any other American manufacturer.

On the domestic front Mr Lutz said the company's goal for the 1987 model year is to take no less than 15 per cent of the US truck market. That would be up from this year's share of around 11.5 per cent.

Chrysler's new mid-size pickup truck, the Dakota, along with other new vehicles, will help contribute to the hoped-for increase in market share.

Rise predicted in W German bankruptcies

By Peter Bruce in Bonn

WEST GERMAN business bankruptcies are expected to rise 4.5 per cent to a record 17,000 this year despite claims by the Government that the domestic economy is undergoing a substantial recovery.

The Hittorg economic services group said however that 75 per cent of the companies likely to collapse this year would be less than eight years old and 45 per cent less than three years old.

Businesses in the service sector had been worst hit, the group said in a report, and nearly 2,000 service operations had become insolvent in the first half of the year.

Industrial bankruptcies had fallen just over 6 per cent, Hittorg added. A credit reform association reported, meanwhile, that between January and the end of August, total insolvencies rose 3.1 per cent to 10,620.

Government in Norway 'loses' popularity

By Peter Bruce in Bonn

SIXTY per cent of Norwegian voters are dissatisfied with the performance of Prime Minister Gro Harlem Brundtland's Labour Government, an opinion poll published yesterday said, AP reports.

According to a survey conducted by the Gallup NORWEGIAN Institute and published in the independent, conservative-leaning Oslo daily Aftenposten, only 32 per cent of the more than 1,000 people interviewed were satisfied with the Government's work.

Last March, a majority of 53 per cent were satisfied with the government of coalition leader Kaare Willoch and only 39 per cent were dissatisfied. Aftenposten said.

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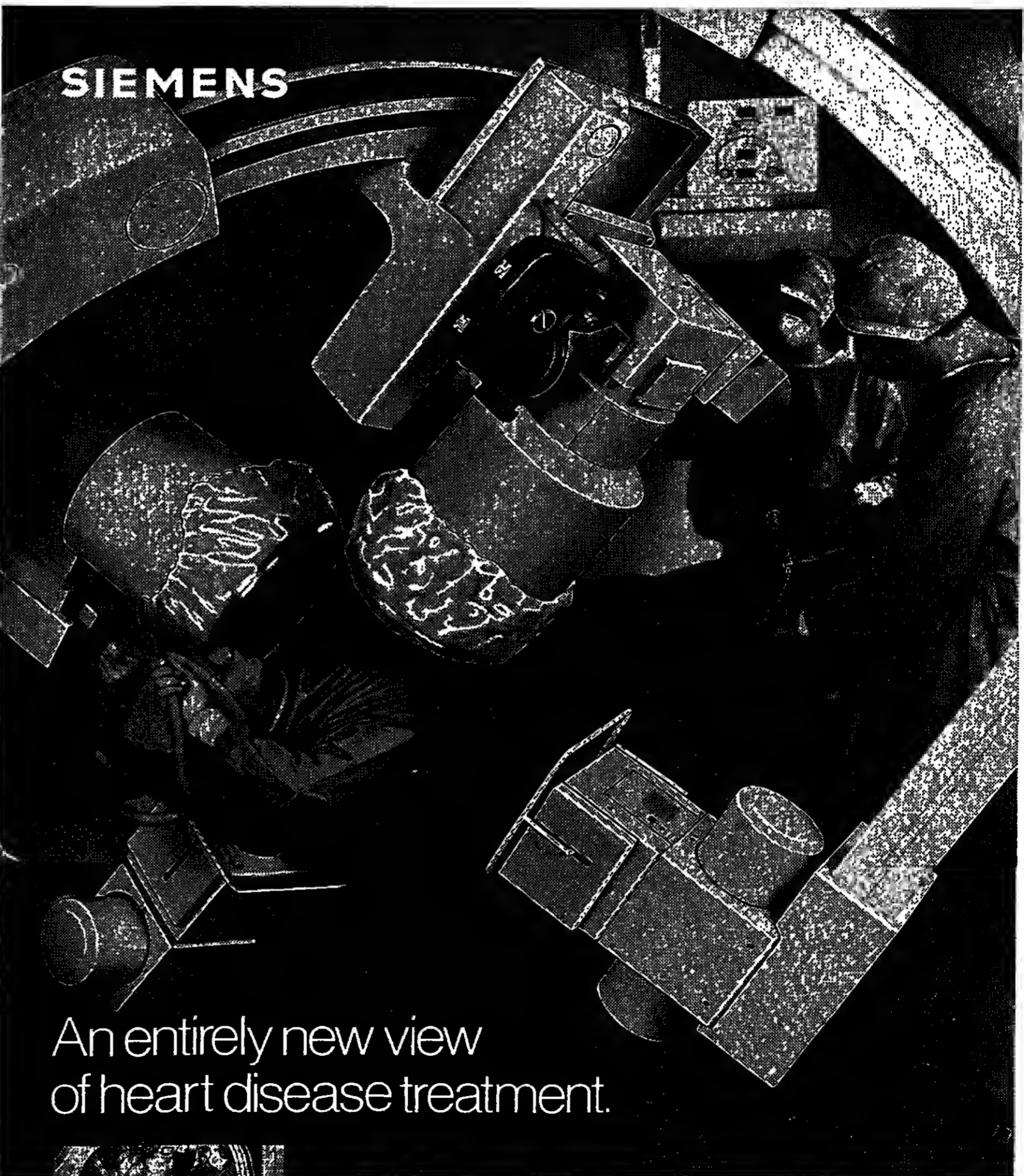
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AMERICAN NEWS

# Sprinkel predicts stronger growth in US economy

BY STEWART FLEMING, US EDITOR IN WASHINGTON

THE US is set for a "gathering of strength in economic activity" in the coming months, Dr Beryl Sprinkel, chairman of the White House council of economic advisers, said yesterday.

His comments followed the release of disappointing figures on the outlook for US manufacturing industry but encouraging news about inflation.

The Commerce Department reported that durable goods orders in August fell 2.6 per cent, largely because of a sharp decline in defence orders. Non-defence orders also declined moderately, by 0.3 per cent. It also revised downwards the July orders data to show a rise of 2.4 per cent instead of 4.1 per cent.

The department said consumer prices rose by only 0.2 per cent last month, a smaller increase than many economists had expected.

Dr Sprinkel conceded that the best news on inflation may be over. He said he expected inflation to "cool up" slightly next year perhaps to the 3-3½ per cent range.

However, he said he was optimistic about the outlook for economic growth because of recent trends in employment, inflation, personal income and

# UN stops repatriation of Chilean refugees

THE UN High Commission for refugees has stopped helping Chileans return home from abroad because of a security clampdown there, Reuters reports from Geneva.

The Santiago Government imposed a state of siege and arrested political opponents following an assassination attempt on President Auguste Pinochet earlier this month.

The UN commission has helped several hundred Chilean refugees to return home in the past two years, but there was now a danger of arrivals being turned back at the frontier. No more refugees will be helped to return until the situation eases.

He said there were still "tens of thousands" of Chilean refugees throughout the world. Most fled after a military coup in 1973 that overthrew a leftist government headed by Salvador Allende.

# Alfonsin faces union protest

Argentina's General Confederation of Labour (CGT) is to hold an 11-hour general strike on October 9 in protest at government economic policies that "favour foreign money over the people's needs."

It will be the labour umbrella group's seventh general strike during President Raul Alfonsin's 24-month old government.

The CGT wants a moratorium on payments of Argentina's \$50bn (£24bn) foreign debts and says Alfonsin's economic policies have led to lower wages and higher unemployment.

# Dominicans act on corruption

The Dominican Republic yesterday barred former president Salvador Jorge Blanco, accused of corruption in the press, from leaving the country, but the ban was later lifted, Reuters reports from Santo Domingo.

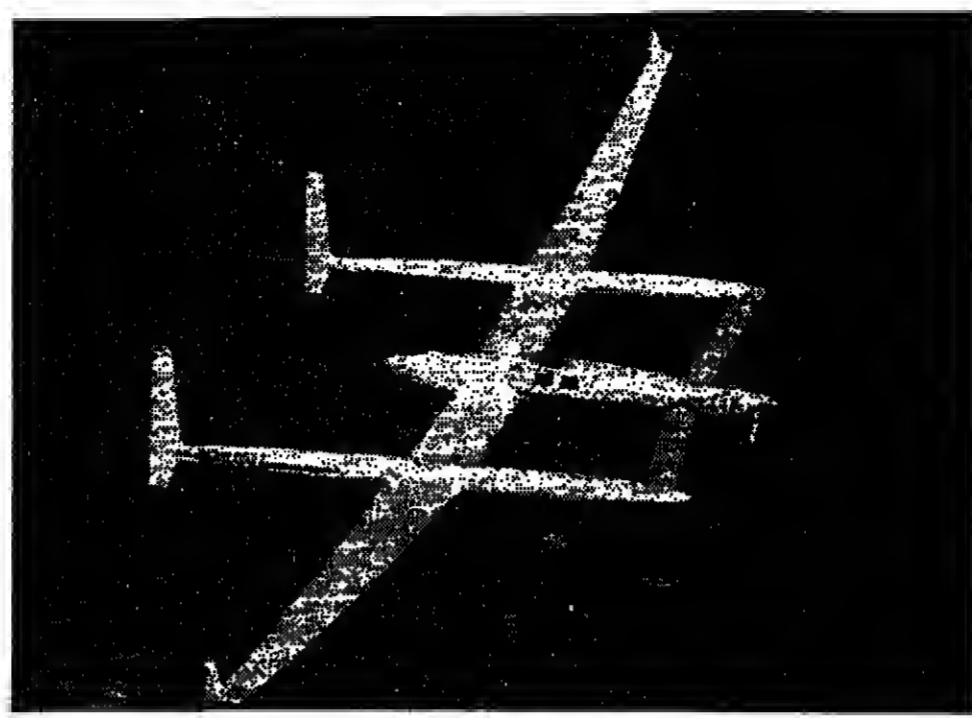
An exit ban on Jorge Blanco's former defence minister General Manuel Caesero Gomez remained in force.

Supporters of Mr Jorge Blanco, replaced in May elections this year by Mr Joaquin Balaguer of the Social Christian Reformist Party, say Mr Balaguer's party is behind the allegations.

# University sells S Africa stocks

Georgetown University is to sell its \$28.6m holdings in companies doing business with South Africa, Reuters reports from Washington.

Mr George Houston, vice-president for financial affairs, said the Jesuit university would sell holdings in 45 corporations including IBM, Mobil and General Motors unless they pulled out of South Africa.



The Voyager... just enough space for two

# Hand-built aircraft tackles last great aviation first

OVER the next few weeks, perhaps as early as this weekend, a rather bizarre looking hand-built aircraft will struggle into the sky from Edwards Air Force base in California's Mojave desert. It will slowly circle for up to half an hour so as to get up height to clear the mountains and then head out over the Pacific at 80 miles per hour.

If all goes well, the aircraft known as the Voyager, should return in less than a fortnight after a non-stop flight around the world without refuelling, having broken the 12,532 mile record held for the last 24 years by a Giant B-32 bomber.

The challenge has been tagged the last great "first" in aviation history and the US press is likening the 32m Voyager to Charles Lindbergh's Spirit of St Louis, the first to fly across the Atlantic.

The Smithsonian museum in Washington has already reserved a place for the Voyager, and Dick Rutan, a former Vietnam fighter ace and chief pilot, is cast in the mould of one of Tom Wolfe's heroes in his book "The Right Stuff," on test pilots and astronauts.

When asked why he is risking his life and that of his co-pilot Ms Janna Yeager—no relation to Chuck Yeager, the model for the Wolfe book—Rutan says the trip is the "ultimate goal, the last big plum to be picked."

The two will spend their time squeezed together in a space not much larger than a refrigerator and doctors have said the ear-splitting engine noise could permanently impair their hearing. They have abandoned insulation to save weight.

In true story book fashion, the first designs for the Voyager were sketched out five years ago on the back of a napkin in a local inn by Mr Rutan's brother Burt, who is as crazy about designing aircraft as his brother is about flying them. Some 23,000 man-hours later they have produced what has been nicknamed a "flying gas tank."

The Voyager's fuselage is 25 ft long and its wingspan is 110.8 ft is longer than the

# William Hall in New York reports on an intrepid plan to circumnavigate the globe

The Voyager has already flown 11,600 miles in 112 hours, non-stop up and down the Californian coast, and the pilots are now in their final stages of preparation for their odyssey, almost all of which will be spent over water.

The exact timing will depend very much on avoiding rough weather, while taking advantage of the prevailing easterly tail winds in the southern hemisphere.

A successful round the world flight by the Voyager would help boost America's need for fresh heroes after last year's space shuttle trauma. And although the commercial application of an aircraft like the Voyager is limited, it is proving to be a surprisingly useful test bed for new materials and equipment.

# Lawson snub angers Commonwealth finance ministers

BY OUR FOREIGN STAFF

MANY DELEGATES to a two-day meeting of Commonwealth finance ministers which began in Castries, St Lucia, yesterday expressed concern and irritation at the failure of Mr Nigel Lawson, the British Chancellor to attend the meeting.

The conference is taking place as a run-up to next week's annual meeting of the World Bank and International Monetary Fund in Washington.

This is the second consecutive year Mr Lawson has not attended the meeting of his Commonwealth colleagues, representing 49 countries, most of them developing nations.

Delegates were only partly assuaged by the appearance of his stand-in, Mr John Stewart, the Treasury Economic Secretary, and Mr Geoffrey Littler, second permanent secretary of the Treasury. Mr Lawson is to meet the Group of Five industrial nations in Washington later this week and will address the IMF-World Bank meeting on September 30.

This diplomatic faux pas has only added to the mood of pessimism troubling many of the ministers.

Some representatives cited concern about the need to spur world economic growth, the problems of indebted developing countries and uncertainty about the short-term trend in the dollar. The meeting is intended to establish a Commonwealth stance over world monetary affairs.

Items being discussed during the talks include a need for more co-ordination of economic policies among major industrial nations, problems of indebted oil-producing countries caused by a drop in oil prices, and the threat of trade protectionism.

The talks are taking place against the backdrop of continued dissatisfaction among many Commonwealth countries over what they consider insufficient economic measures against South Africa.

Commonwealth minister are also determined to support actively a plan for greater surveillance of the economies of major industrial countries, given the slowdown in the US economy and the implications of this for the developed and developing world.

# Committee approves bill on home loans safeguards

THE HOUSE of Representatives Banking Committee yesterday passed an all-embracing banking bill to refinance the Federal Savings and Loan Insurance Corporation and give federal regulators more power to take over failing financial institutions, Reuters reports from Washington.

The bill, adopted 47-1, now goes to the full House. Supporters hope it can get final Congressional approval before adjournment, expected at the end of next week.

The bill would require the Federal Home Loan Banks to establish a financing corporation which would have to invest in FSLIC.

Sponsors of the bill hope it can raise \$15bn to \$30bn for FSLIC over the next five years to help protect depositors in failed savings and loan associations.

The bill also gives federal agencies more power to arrange out-of-state takeovers for failing financial institutions.

Before passing the bill, the committee deleted a provision which would prohibit subsidiaries and affiliates of a bank holding company from conducting insurance activities.

# Paraguay to introduce floating exchange rate

PARAGUAY has announced a major overhaul of its exchange rate policy, putting many exports and nearly all imports under a floating rate and bringing the country's fixed rates more in line with the currency's real worth, AP-DJ reports from Asuncion.

The sweeping reform aims to boost flagging foreign trade, stem a flourishing black market and free World Bank credits frozen in an exchange rate dispute.

The reforms were announced by Mr Delfin Ugarte, the Industry and Commerce Minister after a meeting of President Gen Alfredo Stroessner's top economic officials.

The exchange rate for foreign credits was fixed at 320 guaranis to the dollar, representing a 25 per cent devaluation from the old rate of 240 to the dollar, Mr Ugarte said.

The rate used to apply to all public sector imports and many private sector imports, such as farm machinery, but Mr Ugarte said almost all imports from now on would be transacted at the floating rate of exchange, which on Monday stood at 625 guaranis to the dollar.

An exception to the free import rate was petroleum products which would be imported at a rate of 400 to the dollar. Under the old policy, the rate was 160 to the dollar. Paraguay imports all of its oil.

A new exchange rate also was set for exports of soybeans and cotton, at an average 400 to the dollar. It previously was set at an average 320 to the dollar.

All other exports would be traded at the free rate of exchange, Mr Ugarte said the cost of public goods and services, including electricity, telephones, water and transportation, would probably rise.

Soybeans and cotton represent 80 per cent of the country's registered export earnings, which totalled \$312m last year, according to the Government.

In the first half of 1986, exports totalled \$101.5m, down 44 per cent from the same period last year, while imports rose 30.5 per cent to \$289.5m, creating a six-month trade deficit of \$188.1m.

The figures do not include a rapidly growing trade in contraband, which according to World Bank studies is equal to or exceeds officially registered imports and exports.

The World Bank in mid-1985 began freezing credits of \$230m for nine development projects, saying the money would be made available only if exchange rates were brought more into line with the guarani's real worth.

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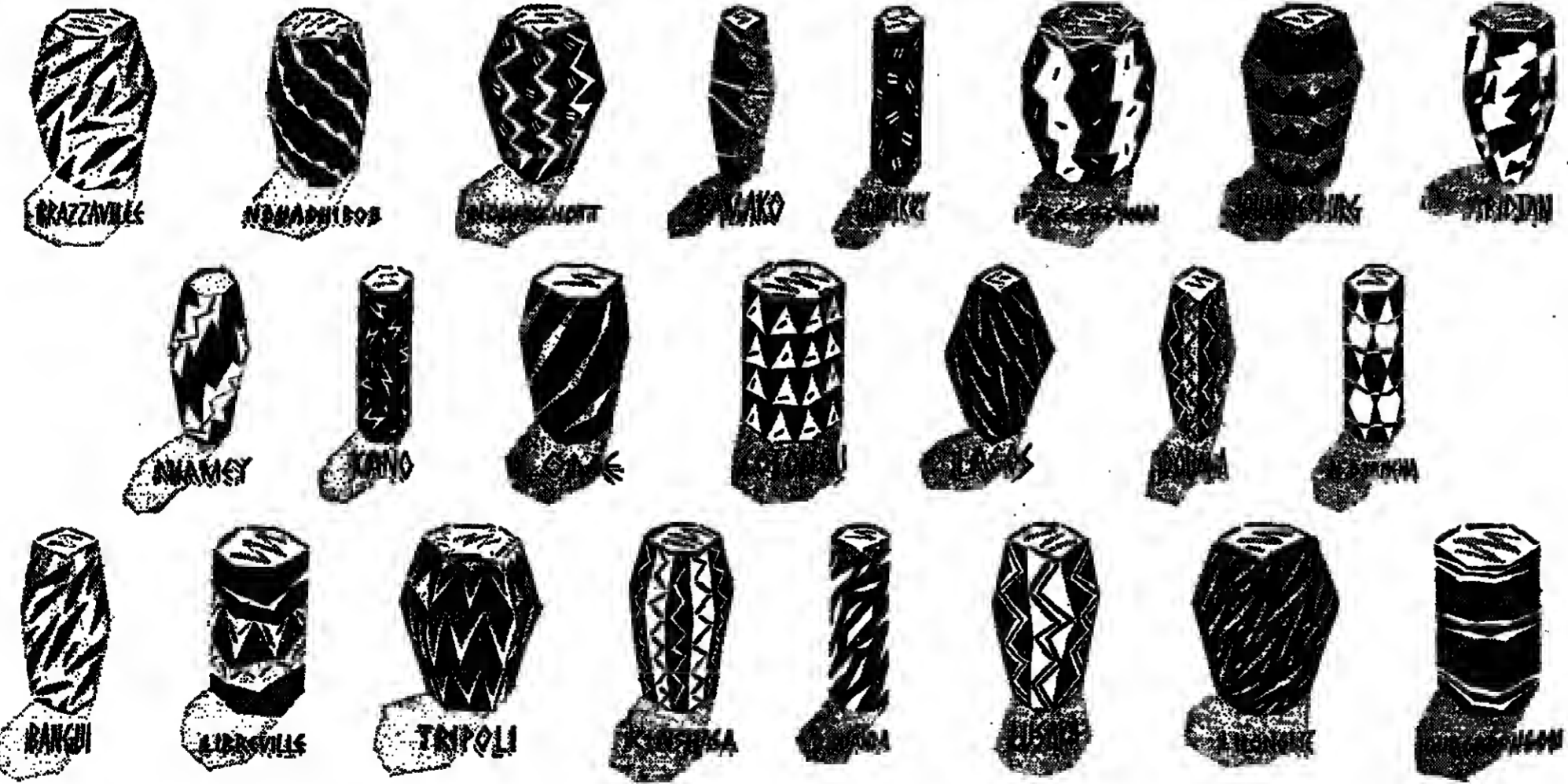
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OVERSEAS NEWS

ANDREW WHITLEY REPORTS ON THE TROOP BUILD-UP ON THE LEBANON BORDER  
Israelis react to fear of Hizbollah attacks

ISRAEL'S BUSE to shore up its northern defences on both sides of the Lebanese border is motivated primarily by the fear that if it does not act fast, its ally, the South Lebanon Army, will collapse.

Last week the radical Shi'ite Hizbollah movement successfully overran four SLA positions in the central sector of the Israeli-declared security zone, capturing prisoners and heavy weapons. The blow to the 1,500-strong mainly Christian militia's morale was crushing.

Working with Hizbollah, which wants both to expel Israel from Lebanon and to force the withdrawal of Unifil, the United Nations peacekeeping force, were breakaway former members of Amal, the traditional Shi'ite militia in the south.

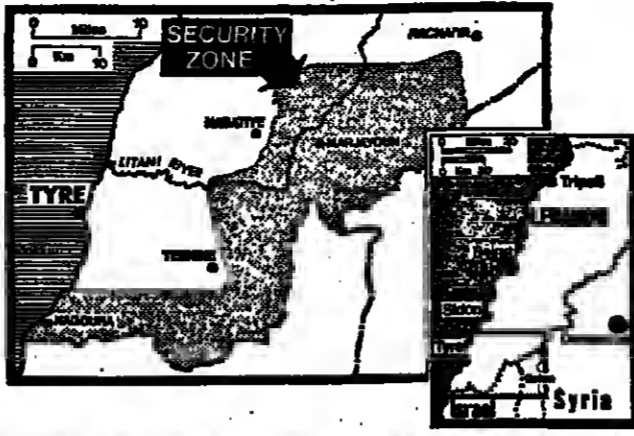
Mr Akraf Haidar, Amal's vice president, said in an interview with the Lebanese magazine Monday Morning this week, that Amal remains in favour of Unifil's continued presence, conditional on the fulfilment of the 1978 UN resolution calling for Israel's complete withdrawal from Lebanon.

Israeli officials have interpreted this as meaning that Amal's role over the past year in helping block attacks on Israel and the security zone may be coming to an end.

The growth of the Hizbollah movement has been aided by Iranian finance, military training and the recruitment of a Loyalist Guard volunteers to provide battle experience, the

Israeli warplanes attacked suspected Palestinian guerrilla bases in hills east of Beirut yesterday, setting their targets ablaze, police told AP in the Lebanese capital. They said eight jet aircraft staged four bombing runs in the hills of Rayssour, Keytoun and Eilat, about 12 miles east of Beirut. There were no immediate reports of casualties. Meanwhile, elite officers of the UN peace-keeping force in south

Lebanon said the Israelis made no move across the border yesterday. "Their tanks still are at the border and their artillery remained silent," one duty officer at the Irish UN contingent said. Israeli leaders have said reinforcements were ready to move in to help the Israeli-allied South Lebanon Army militia against an upsurge of guerrilla attacks by Iranian-backed Shi'ite Muslim extremists.



The presence would simply hinder Israel's military freedom of action.

has signalled its determination to maintain the status quo. Politicians and senior officers were saying yesterday there is no intention to reoccupy a wider area of southern Lebanon just to provide a show of force.

Deep divisions remain over the value of Unifil at the top of the Israeli leadership. But the prevailing view is that the uncertain loyalties and alleged inefficiency of the United Nations soldiers in preventing terrorist attacks is better than handing the region over to Hizbollah.

At the same time, Israel continues to resist Unifil's demands that it be permitted to deploy all the way down to the international frontier, thus fulfilling its original mandate.

The reason behind this is that the narrow belt of land running along the northern side of the frontier line has become a "free fire" zone for the SLA and the Israelis, in which to trap any hostile intruder. Unifil's

said the overnight rocketing of hills in a nearby village from the border strip had alarmed them.

"Only three rockets fell but we couldn't sleep all night," said Hussein Hassan Haidar, who runs the south co-operative grocery in Qasbiyeh at Jisr. "If the Israelis come, we don't know where to go with our women and children."

He added that the Amal movement was on alert and guarding the village 24 hours a day to prevent guerrilla infiltration and protect civilians. Lt Col Lauri Vastanen, from Finland, said Amal was doing its job and his battalion was doing its own work to serve Unifil. The officer said the overnight shelling was not unusual but noted, "Every second I am worried, we are doing our work and it is not good to have casualties."

Residents from nearby Qasbiyeh at Jisr and Froun

Copyright boost for US chip industry

By Louise Kehoe in San Francisco

THE US semiconductor industry has won a significant victory in its effort to protect its chip designs from alleged Japanese copyright infringement with a federal judge's ruling that the "microcode" program in microprocessors is covered by US copyright law.

The landmark ruling on Monday followed a copyright infringement suit filed 18 months ago by Intel Corporation, a Silicon Valley chip maker, against NEC Corporation of Japan.

Intel has said NEC copied critical elements of the microcode that controls Intel's 8086 microprocessor - the chip used in IBM and similar personal computers - for use in its competing V20 and V30 microprocessors. Intel is seeking unspecified damages and an injunction to prevent NEC from selling the V20 and V30 chips in the US.

NEC denies the charges and says it independently created its own microcode that emulates the functions of Intel's chips.

The court has yet to rule on whether NEC has infringed Intel's copyright. A final ruling may be several months away.

Intel said it had already achieved its primary goal in filing this suit with the extension of copyright protection to cover microcodes.

Gunmen penetrate to main runway at Islamabad

BY MOHAMMED AFTAB IN ISLAMABAD

ONLY DAYS after the hijacking of the Pan American jumbo at Karachi, four gunmen have attacked and injured an airport security guard at the runway of the Islamabad International Airport.

The guard was watching the outer edge of the airport runway in the early hours of Monday when he was injured by firing from automatic weapons, airport security officials said.

The incident took place shortly before a Saudi Arabian Airlines aircraft was to land. This was to be followed by a British Airways flight from London.

The four unidentified gunmen entered the perimeter of the airport fence. When they were spotted by the guard, he challenged them, and made the gunmen withdraw.

However, the gunmen hid themselves in bushes instead of leaving the airport area. When they were warned that the guard would open fire, the gunmen shot first, injuring the security man.

The shooting attracted the attention of other airport security officials, who rushed to the spot. The gunmen escaped and no-one has been arrested

so far, although the police have registered a case for attempted murder against the unidentified gunmen.

The incident follows the September 5 hijacking of the Pan American Boeing 747 at Karachi, which was on a flight from Bombay to New York, via Frankfurt and London. Four Arab speaking hijackers commandeered the jumbo with nearly 400 persons and crew on board.

The ordeal of the passengers ended after 16 hours when the hijackers began indiscriminate firing and tossed handgrenades among the passengers, killing 21 and injuring more than 100.

In spite of intensive interrogation, police have been unable to establish the identity of four hijackers who were arrested and a fifth man who was later arrested at Islamabad for allegedly helping the hijackers. Each one of them was carrying four passports - all forged.

The Saudi Arabian Airlines ticket office at Karachi was attacked by unknown persons several months ago while the Pan American ticket office was hit by attackers earlier. The cases were not resolved and no details were made public.

Mexican Minister in Tokyo debt talks

BY GORDON CRANE IN TOKYO

MR GUSTAVO PETRICIOLI, the Mexican Finance Minister, is due today to meet Mr Kiichi Mizuwaya, his Japanese counterpart, during a visit to Tokyo aimed at recruiting state and commercial bank support for proposals to ease Mexico's debt burden.

The six-day visit by Mr Petricioli, who will also call on Mr Yasuhiro Nakasone, the Prime Minister, is described as unofficial. But its timing coincides with talks in New York on Mexican borrowings, ahead of the joint World Bank-International Monetary Fund meeting which is scheduled to begin next Tuesday.

The Export-Import Bank of Japan, the country's trade financing agency, is expected today to provide the most substantial result so far of Mr Petricioli's stay, which ends tomorrow.

Eximbank officials said formal approval would be given for \$1bn (£580m) in loans for three large-scale industrial projects in Mexico.

Primarily, these cover the so-called Pacific petroleum project,

involving an oil pipeline and an expansion of capacity at the country's Sicitras refinery complex. A steel plant and the development of export-oriented industrial ports are also included.

The Japanese decision to commit \$1.5bn over two years follows a request by Mr Jesus Silva Herzog, Mr Petricioli's predecessor, during a Tokyo visit in April.

The Nakasone Government is anxious to smooth the path for the heightened role it is set to assume at the World Bank, including increases in development assistance at official level. Japanese commercial banks, led by Bank of Tokyo have meanwhile been seeking clarity from the Mexican side on its requests for \$6bn in new lending from private sector creditor institutions in the developed world.

They are believed to be unwilling, however, to contemplate a wholesale rescheduling of Mexico's existing \$52.5bn external bank debts, a course which had been suggested in New York.

Alleged Nakasone remark adds to ethnic controversy

BY GORDON CRANE

NATIONAL INSULTS have been a source of some discomfort this month to Mr Yasuhiro Nakasone, the Japanese Prime Minister. But within hours of his return from a South Korean trip, having repaired bridges damaged by his new sacked Education Minister, he may himself have blown potholes in relations with at least three countries.

Black and Latin American ethnic minorities in the US are responsible for a low level of knowledge among the American people as a whole, according to remarks attributed yesterday to Mr Nakasone.

At least two Japanese language newspapers reported him as saying: "Since there are black people, Puerto Ricans and Mexicans in the US (its level of knowledge) on average is far lower than the high level in Japan. The comment apparently came during a study meeting at a rank-and-file gathering of his Liberal Democratic Party at Kamami, west of Tokyo, on Monday.

The accuracy of the newspaper accounts could not be confirmed yesterday, the autumn equinox public holiday, although the Prime Minister's office suggested that he had been misinterpreted. Mr Nakasone's alleged observation would obviously not have been for external consumption but it is nonetheless curious, not least for its timing.

He returned on Sunday after a two-day visit to Seoul, South Korea, where he conveyed his regret to President Chun Doo Hwan over "improper" remarks made in a magazine article by Mr Masayuki Fujio, whom he had already removed from his cabinet. Mr Fujio had claimed that the Koreans were also responsible for the Japanese annexation of Korea in 1910.

Although other items, including attending the Asian Games, were on Mr Nakasone's Seoul agenda, President Chun made clear that Mr Fujio had offended Korean national pride.

Iraq claims to have beaten back new Iranian attack

BY OUR MIDDLE EAST STAFF

AN IRAQI war communique yesterday indicated that Iranian forces had started to build up pressure on the front to mark the sixth anniversary of the Gulf conflict and possibly the start of a major ground offensive.

A military spokesman in Baghdad said that two Iranian infantry and marine attacks in the marsh lands around the Majnoon oil fields had been beaten off by "merciless fire" on the night of September 21-22.

The Iraqi comments indicated that there had been fire on the southern sector north-west of Basrah facing the road from Baghdad. There was no comment from Tehran on whatever operation was underway.

The Iraqi communique said that the Iranians had made a second "desperate attempt" against the same positions in the oil-rich area but that their boats and their occupants had been turned into "smouldering ruins."

Observers speculated that the Iranians, with a massive build up in reserves, could have mounted yet another testing probe against the Iraqi defences.

The Iraqi front has been under pressure for nearly two weeks along a 60-mile front of the northern sector north of Mehran.

Early yesterday morning a UK-registered merchant vessel, the 12,972-ton Pawnee, was struck by rockets from an Iranian helicopter, near the island of Abu Mussa, according to Lloyds shipping intelligence unit. No casualties were reported on the vessel which was on route to Dubai.

Iran is reported by all industry executives to have been badly hit by recent raids on Kharg Island, its main export terminal, where all of the 10 berths on the T-jetty are out of action.

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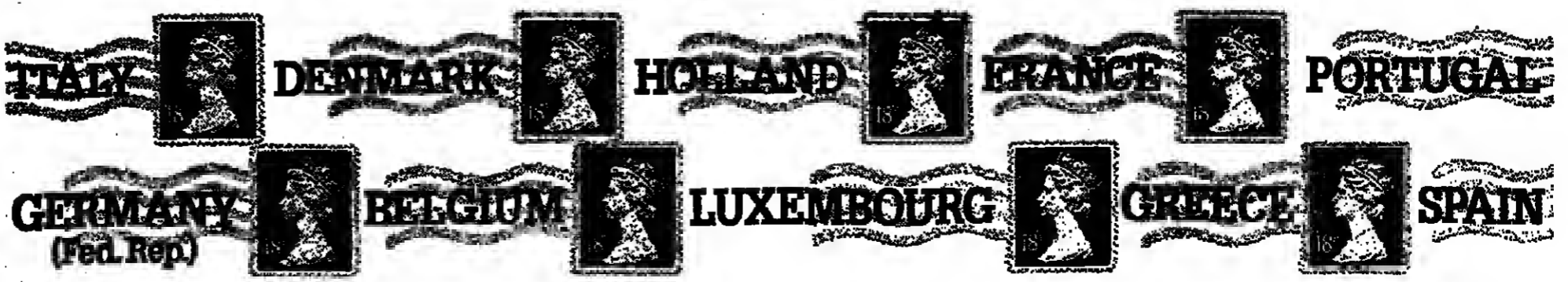
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WORLD TRADE NEWS

# Renault calls for tougher curbs on Japanese cars

BY PAUL BETTS AND JOHN GRIFFITHS IN PARIS

RENAULT, the French state-owned car group, called yesterday for firmer action to restrict Japanese car imports in Europe. It also confirmed that it had been approached by Nissan over possible use by the Japanese car maker of idle production capacity at American Motors (AMC) Brampton plant in Ontario, Canada.

But Mr Jose Dedeurwaerder, Renault's commercial director, and a senior adviser to Mr Georges Besse, the chairman of the French car group, said Renault was not engaged in talks over collaboration between AMC, in which it owns a 46 per cent stake, and a major Japanese car producer.

Renaault has been seeking partners for AMC as part of its overall cost cutting and restructuring strategy. Renault officials however confirmed yesterday that the talks with Nissan involving the possible use of Brampton production capacity had been halted. They also added that talks between AMC and Delhatsu of Japan over joint collaboration to produce a four wheel drive model for export markets had also been suspended.

Renaault has nonetheless reached an agreement with Chrysler which will be using AMC production capacity at the US car group's Kenosha plant in Wisconsin to assemble Chrysler's upmarket models — including the top of the line Fifth Avenue saloon — from next February.

Although Mr Dedeurwaerder confirmed that Renault's financial and industrial outlook was improving, he said the company remained vulnerable. Renault confirmed that it expects to cut its consolidated group losses this year to between FF 4bn-FF 5bn from FF 10.5bn (FF 195,966) last year and a record deficit of FF 12.55bn in 1984.

Renault's call for firmer action against the Japanese in Europe reflects concern over the French Government's commitment to liberal open market policies. Japanese car imports are restricted in France to 3 per cent of total domestic annual car sales. At the same time, the government is keen to encourage job creating foreign investments.

Mr Dedeurwaerder indicated

# House puts 12 more on US loan ban list

By Nancy Dunne in Washington

THE US HOUSE OF Representatives has granted the US Export-Import bank a new six year lease on life and, at the same time, slapped new loan prohibitions against Angola, Afghanistan and ten other "Marxist-Leninist" countries.

Congress had previously forbidden Eximbank to "provide trade financing to 18 Communist" countries unless the President signed a waiver certifying that it was in the national interest to lend to them. The new reauthorising legislation redefines those countries prohibited from loans as "Marxist-Leninist" and adds 12 new countries to the list.

In addition to Afghanistan and Angola, the list now includes, Benin, Congo, Ethiopia, Guyana, Kampuchea, Laos, Mozambique, Nicaragua, South Yemen and Surinam. Of these, eight are now receiving exim loans, which they must lose unless the president provides a waiver.

The new legislation contains the \$300m (£215m) "war chest" the president requested to combat the use of mixed credits, or financing which mixes commercial credit with foreign aid. Eximbank has already offered 13 mixed credit deals, three of which have been accepted, in anticipation of receiving the money.

It also provides \$148m to pay the real cost of the bank's direct lending programme. It allows Eximbank to subsidise commercial bank lending in support of trade, but only after it has first made \$700m in direct loans.

As a budget reduction measure, Congress is expected to give approval for the sale of Eximbank loans.

The legislation would prohibit financing for production of foreign commodities that could be expected to compete with and damage US producers.

# Rolls wins engine orders

QANTAS AIRWAYS, the Australian international airline and Cathay Pacific Airways of Hong Kong have ordered Boeing 747's powered by Rolls-Royce RB211-524 engines.

The deals are worth over \$60m (\$88.2m) to Rolls-Royce for engines and spares.

# Shipowners fear another false dawn

Kevin Brown assesses the latest revival in the tanker market

THERE WILL be some anxious moments in the boardrooms of the world's leading shipping companies in the next few weeks as the industry ponders the prospects of an end to the prolonged recession in the tanker market.

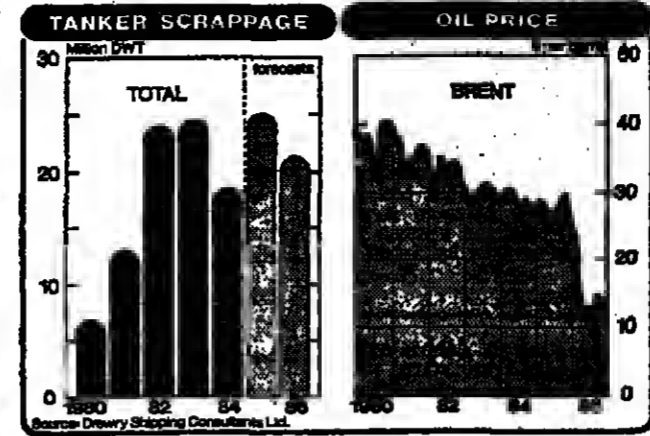
The signals up to a couple of weeks ago were that the market was entering its strongest period since the recession began with the quadrupling of oil prices in the early 1970s.

The question now, however, is how much of the apparent recovery was based on an artificially low oil price, and what the effect will be of the latest attempts by the Organisation of Petroleum Exporting Countries (Opec) to cut production.

Tanker owners have seen the beginnings of recovery before, only to have freight rates and ship values sink again after a temporary improvement. There are already warnings that the current upturn will turn out to be another false dawn—but also a number of reasons for believing that this time it may be soundly based.

The current recovery was triggered by the abandonment of controls on oil production by Opec in December last year. The collapse in the oil price which followed led to a big increase in demand for tanker tonnage to transport cheap oil, particularly on the long-haul routes from the Middle East to Europe and the US.

Paradoxically, Opec's decision in July to cut production by around 4m barrels a day from



September 1 gave a further boost to the tanker market as oil companies and traders committed to move as much oil from appreciation, leading to the recent took effect.

The market is now in a state of suspended animation as charterers wait to see what the effect of production cuts will be. The general view is that tanker loadings are likely to fall in the next two months, but that production ceilings are unlikely to work in the longer term because of the world oversupply of oil.

The latest indications are that rates are holding up well for tankers loading in the Middle East, though interest in very large tankers is waning. Pearnleys, the Oslo shipbroker, commented: "There could very well be a lull in chartering activity from the

towards a balance of supply and demand, reflected in the fall in surplus capacity from 124m dwt in 1983 to less than 90m dwt in December, 1985.

This trend has been all but halted, however, as owners wait to see which way the market will go. Only one tanker was reported as being sold for demolition in the whole of last month.

In addition the value of tankers on the second hand market has shown a major appreciation, leading to the repurchase of a number of ships after they had been sold for demolition.

The most dramatic indicator of the change of sentiment in the market, however, is the strength of orders for new ships, of which the \$100m (\$67m) order for four 145,000 tonnes deadweight tankers by Golsas-Larsen of Bernadua is only the most spectacular.

That order was followed by a \$70m contract placed by Diamantop Shipping Agency of New York for four oil products tankers. South Korean shipyards alone are reported to have won tanker business worth around \$450m in the past few months. Prices are said to be around half the level of four years ago.

The number of tankers laid up has also fallen with the total tonnage now below 20m tonnes deadweight for the first time for years, according to K. A. Gibson, the London shipbroker.

A further reason for long-term optimism is the move out

of tanker ownership by the major oil companies, whose share of the world fleet is estimated by Mr Simon Bergstrand, shipping analyst of the Central London Polytechnic Transport Studies Group, to have fallen from 40 per cent to 25 per cent in the last 10 years.

The effect of this is to increase opportunities for charterers, and strengthen freight rates, as soon as demand rises above the reduced capacity that can be handled by the oil companies' own fleets.

There are plenty of voices warning, however, that it is still too early to celebrate the end of the tanker market recession.

Intertanko, the international tanker owners' association, says continued scrapping is "the only way to achieve any sustainable improvements in the tanker market, provided of course that speculative new ordering is avoided."

This is a theme echoed by other voices in the industry worried that easily available commercial loans will trigger an ordering boom which will undo all the painful good work of the last 12 years.

The current situation is probably best summed up by F. F. Basso, the Norwegian shipbroker and offshore specialist, which likens the oil markets to a gigantic, and overly political, game of chess.

"The only certainty is total uncertainty. That applies not only to a worsening situation, but also to the possibility of improvement."

# Daya Bay plant loans top \$2bn

By CHRISTIAN TYLER, TRADE EDITOR

THE CONTRACTS signed in Peking yesterday for the Guangdong nuclear power station are supported by some \$2.5bn worth of loans to the Bank of China whose repayment is guaranteed by the French and British Governments.

France is backing a loan of around FF 11bn (£1.7bn) raised by a consortium led by the Banque Nationale de Paris, and the UK a credit of \$420m (\$610m) through a group headed by the Midland Bank.

Chinese officials said the terms of the financing were the same in both cases. It is known that the UK credit is over 15 years, with a grace period of seven years, and at an interest rate of 7.4 per cent.

The terms conform to the

rules of the Organisation for Economic Co-operation and Development (OECD) for long-term project finance for poorer countries.

But the interest rate is less than would have been required under a recent OECD agreement for funding of nuclear power contracts. A British Government official in London explained that the Daya Bay contract had been exempted, with the agreement of other countries, because negotiations began before the new rules were introduced.

The value of the contract for CEC of the UK which is supplying two 660MW turbine generator sets, is put at \$250m, but another £170m worth of equipment may be supplied by British subcontractors.

# Spain appeals for help on EEC steel imports

By QUENTIN PEEL IN BRUSSELS

THE Spanish Government has appealed to the European Commission in Brussels for extra protection from a surge in steel exports from other EEC member states.

Import quotas are already in effect for three major products — hot rolled coils, cold rolled sheets, and heavy plates — since last March.

Spain has now applied for similar safeguard measures — provided for under the terms of Spanish membership of the Community — to be applied to galvanised sheet and wire rod products.

Imports of galvanised sheet has increased from a monthly

average of 580 tonnes in 1985 to 8,137 tonnes in the first six months of 1986, taking more than 14 per cent of the Spanish market.

Imports of wire rod have increased from a monthly 3,959 tonnes last year to 9,057 this year, raising the market share of the EEC countries in Spain from 6.2 to 15 per cent.

The Spanish request is being assessed by Commission officials, before Mr Karl-Heinz Narjes, the Commissioner for Industry makes a formal recommendation.

The safeguard measures, if approved, would last until the end of the year.



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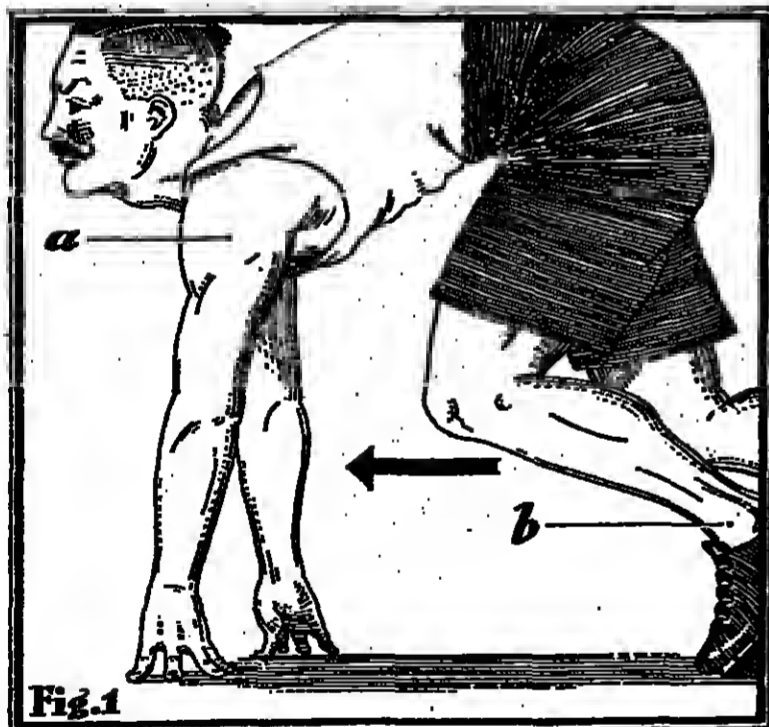
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In return we will contact you from our nearest Growing Business Unit which operates from offices all over the country.

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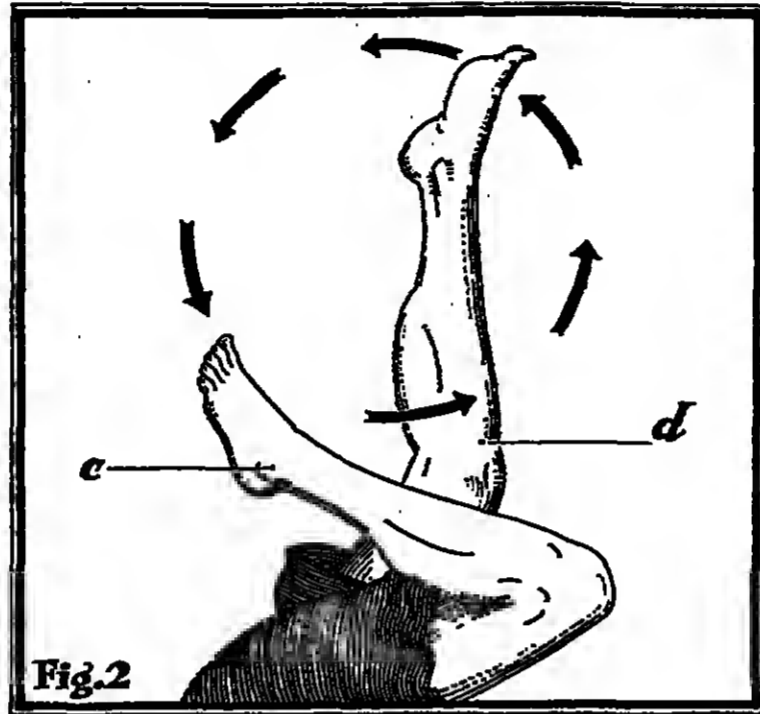
Much of our business is derived from companies that have grown up with us. Which is why, not unnaturally, we are keen to provide this service to growing companies.

## —STARTING A BUSINESS—



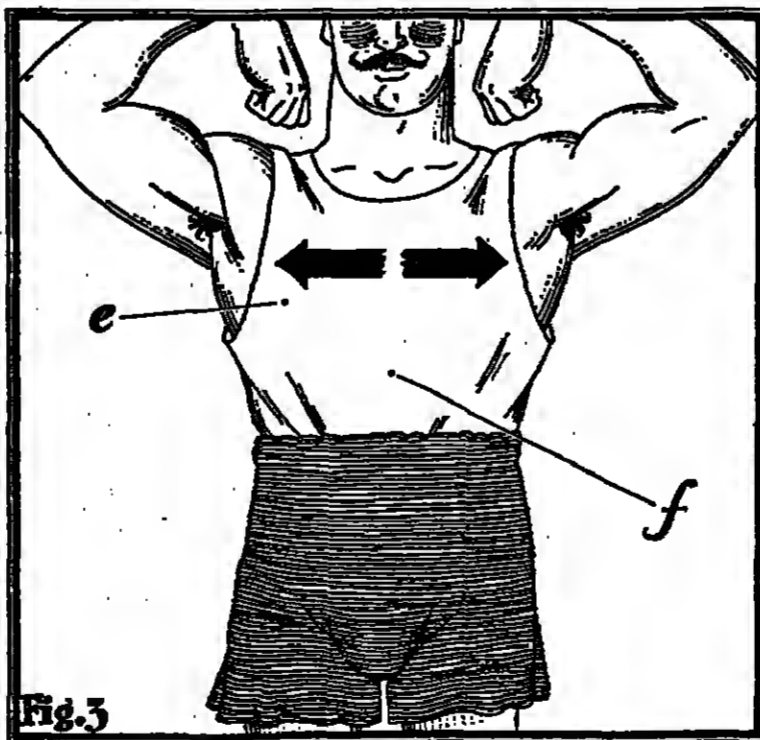
- Do you need help with your business plan?  YES  NO
- Do you need assistance in preparing and reviewing financial projections?  YES  NO
- Do you need tax advice on an appropriate legal structure?  YES  NO
- Do you need advice on financing strategies?  YES  NO
- Do you need someone to make contact with the specialists you'll need—bankers, lawyers, etc?  YES  NO
- Do you need help establishing accounting and other management information systems?  YES  NO

## RAISING FINANCE FOR DEVELOPMENT



- Do you need help to update the business plan?  YES  NO
- Do you need someone to talk to on systems development, timing and planning?  YES  NO
- Do you need help to establish procedures for preparing internal budgets and cash flow projections?  YES  NO
- Do you need advice on when and how to recruit a good Finance Director?  YES  NO
- Do you need help in getting all the grants, tax allowances and other assistance available?  YES  NO
- Do you need advice in assessing and meeting your financial needs?  YES  NO
- Do you need someone to introduce you to financiers?  YES  NO
- Do you need assistance in developing remuneration packages to attract key people?  YES  NO

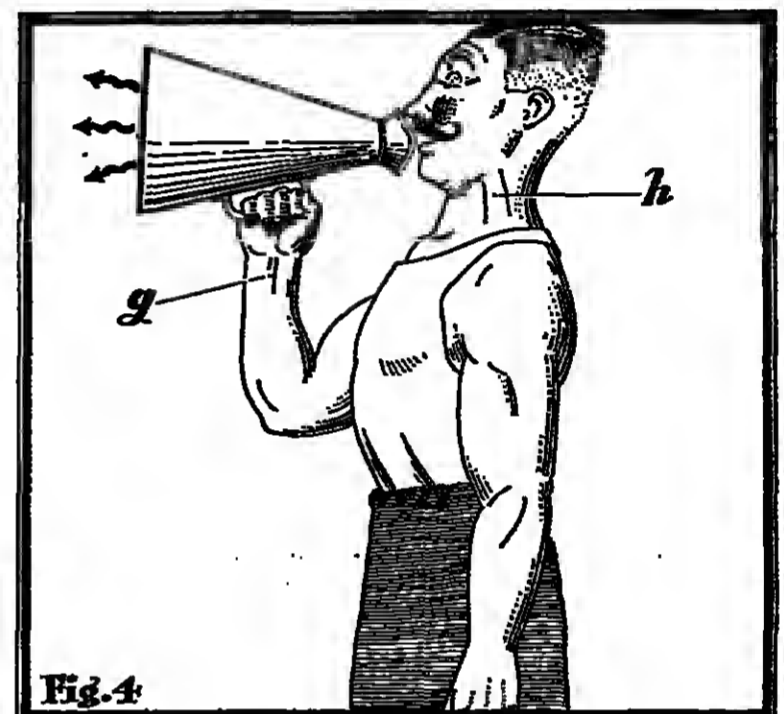
## —RAPID EXPANSION—



- Do you need assistance in strategic and organisational planning?  YES  NO

- Do you need help in developing computer systems which will help management's changing needs?  YES  NO
- Do you need training courses for management development?  YES  NO
- Do you need help to identify and assess companies available for acquisition?  YES  NO
- Do you need help to assess the tax, financing and other implications of overseas expansion?  YES  NO

## —GOING PUBLIC—



- Do you need advice on assessing whether going public will meet your business objectives?  YES  NO
- Would you like introductions to stockbrokers and bankers and someone to liaise with them?  YES  NO
- Do you need to talk to someone about public reporting responsibilities and what it means for your business?  YES  NO
- Do you need someone to help you prepare for going public?  YES  NO

### NOW YOUR DETAILS.

Please fill in the following details and return the complete advertisement to John Ormerod at Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS. We shall contact you very soon.

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 Tel No: \_\_\_\_\_  
 Current Turnover: \_\_\_\_\_  
 Projected Turnover: \_\_\_\_\_  
 No. of Employees: \_\_\_\_\_



# MANAGEMENT SPECIAL: The Battle for Allied-Lyons

## The ministry of defence

By agreement and in strict secrecy, Christopher Parkes was a 'fly on the wall' when the UK brewing and foods group organised its resistance to a £1.8bn bid by Elders, the Australian brewer. His four-part report offers an intriguing and sometimes amusing picture of this corporate drama

**DAY 1**  
Monday, Oct 21 1985

THE AUGURIES were not good. Death's heads leered down from the plasterwork ceiling. Fleams, the stylised blood-letting instruments which also figure in the arms of the Worshipful Company of Barbers, twinkled in the television lights.

Apparently blinded to their presence, John D. Elliott squinted across the Barber-Surgeon's Hall at the antagonistic London Press corps. "Is he wearing stage make-up?" someone muttered.

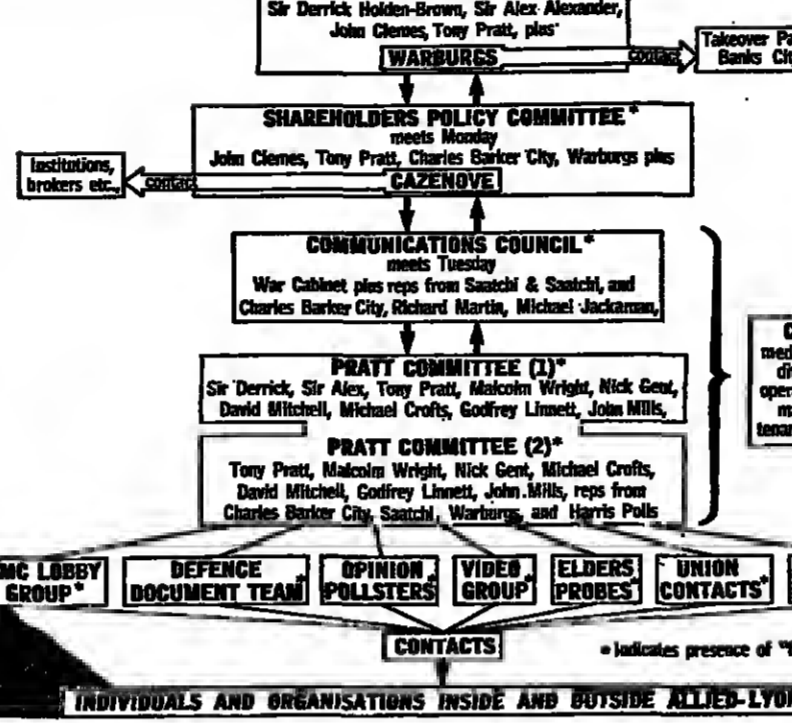
The managing director of Elders, a 50-year-old Australian brewer, sheep shearer and trading conglomerate, had lumbered into the heart of the City to announce his plan to take over Allied-Lyons, pluck out the brewing plum, sell off most of the rump and—with relish—sack the "tired" senior management.

Andrew Cummins, his strategy chief, sat impassive as John D. served up his cocktail of mild slanders, leaden irony, leathery jokes, a quote from Churchill, "my mentor"—and the merest sprinkling of hard information on his scheme for a leveraged assault on one of the biggest companies in Britain.

Sweating visibly, Elliott blew noisily on a Marlboro, unconcerned of the No Smoking signs, and fielded a handful of surprisingly tame questions from an audience seemingly mesmerised by the complexity—or unfounded by the sheer cheek—of his scheme to buy out a leading member of Britain's beverage with mostly borrowed cash.

"It's going to be a tough job to turn this company round," Elliott volunteered. Holstein's Henry VIII scowled from the wall to his left.

A spy from the Allied camp sat at the back, scribbling; noting the content of the conference, the mood of the press, the style of the man, his leering and sketching the anti-Allied graphs and diagrams which formed the backdrop to the presentation.



However, the Australian had come some way into the open. The long wait from September 5, when Elliott first formally stalled his intention to bid, was over. The group had been twitching nervously since the spring when it first detected unusually large transactions in its shares.

"Conceding the frontlines in the defence team with half promises of a chance to attack later, Warburgs set them digging trenches.

With almost 70,000 employees on the payroll, and—Elliott had taken pains to point out—about 100 managing directors in the group, Allied would be well advised first to set up a substantial internal communications network through which it could rally its troops.

Elders, XLX was already at work. Citibank, the co-ordinator of the bid funding had already made at least one approach to an Allied subsidiary offering assistance should the managers there ever contemplate buying out their company from the group. Pub tenants had been questioned by the opposition. They needed to be kept up-to-date and on-side to forestall any temptation to speak or even think favourably of Elliott's vague but revolutionary plan to offer them an equity stake in their pubs.

noisily. Half a day into the bid proper, rumblings had reached Allied House from all quarters. Echoes of concern sounded in the morning by Richard Martin were re-echoed in the afternoon as the Pratt Committee, the sweat shop through which most of the corporate defence effort was to be channelled, assembled for its orders.

Chairman Tony Pratt, plucked from the comparative calm of his post as group investment controller, listened patiently as his colleagues reported anxiously.

From the good division: "There is a lot of mud being thrown and they want to know why we are not throwing it back."

From headquarters: "There is a feeling that we are not being assertive. If there is a reason why we are playing it cool, then we should tell people."

Pratt, a resolutely good-humoured man, consoled them with a report of the feelings of angst apparent at the morning meeting. "The consensus was that we don't want to get down into the gutter," he warned.

"But we might later on," he offered, rubbing his hands.

For the moment, the main aim was to have the bid referred to the Monopolies Commission but not to be seen to be pressing.

In the meantime there was other work to be done. Indignation evaporated as Mark Seligman, a young blade from the Warburgs stable, demanded numbers—as much information as the divisions could provide on the position in the market of Allied brands so scorned by Elliott.

That was not going to be easy. Statistics were a delicate matter; and the levels of a marketing or advertising man might consider them easy to handle. But the defenders were administrators, accountants, investment specialists, backroom managers unused to the antics of the window-dressing trade. For good measure, they were wholly ignorant of the Takeover Panel's insistence on precision.

"Elliott isn't bothered," complained Malcolm Wright, corporate development chief from the beer division. "But here we are tripping over ourselves to be 100 per cent accurate."

Seligman offered a carrot. "I'll give you a carrot... a hint that the Takeover Panel might be interested in using strong counters to Elliott's claims as a stick with which to beat the opposition."

The grid had started. The mailing list had to be completed; a briefing for managers was needed to help them handle the local press, a conference had to be arranged to allow the top 700 senior staff to come together to be briefed by the board and its advisers. And who was to oversee the production of a promotional video to seduce the shareholders into resisting the bid?

Saatchi and Saatchi was

**DRAMATIS PERSONAE**

The principal characters in the narrative include:

Allied-Lyons:  
Sir Derrick Holden-Brown, chairman  
Sir Alex Alexander, vice-chairman  
John Clames, finance director  
Richard Harris, main board director, Warburgs  
Michael Jackman, main board director, Warburgs  
Tony Pratt, group investment controller  
Malcolm Wright, beer division  
David Mitchell, J. Lyons  
Nick Gent, who had visited John Mills, headquarters staff  
Geoffrey Linnert, HQ  
Michael Crofts, HQ  
S. E. Warburg

Hugh Richardson, director  
Mark Seligman  
Melanie Gee  
Carmel Curran  
Harry Henderson  
Saatchi & Saatchi  
Michael Dobbs  
Tony Pratt, chairman  
Charles Barker City  
Jasper Archer, director  
Government  
Norman Tebbit, chairman, Conservative Party  
Leon Brittan, former Secretary of State for Trade and Industry  
Nicky Brown, Minister of the Exchequer

Parliamentary question demanding a reference to the Monopolies Commission and a statement by the authorities. In Britain, then Trade and Industry Secretary.

"One prefers to have things controlled rather than shooting off in all directions," murmured Arthur Elders, a political lobbyist specialist from Charles Barker, Watney and Powell.

Control was all. The objective was a precise as the working of working should be to ensure the Secretary of State to reach the correct decision on whether to refer the proposed takeover to the Monopolies Commission.

The rules were strict: Allied was not to be seen to be attempting to gain a reference. If asked by journalists, Allied would reply "the decision is a matter for the authorities."

A rigid timetable was set down, targets were chosen and Sir Derrick and Sir Alex found themselves nominated as the principal hit men in a campaign which was to stretch to No 10 Downing Street to the leg washing plant in the Alcoa Brewery in Scotland. Using weapons ranging from a gentle word in the ear to a heavy hammer to manipulate the mood of a substantial slice of the population with a stunningly sophisticated propaganda programme.

The gregarious vice-chairman—Sir Alex is said to boast an address book as thick as a telephone directory—had already been warned not to make contact with anyone among his many friends in the Conservative Party.

"There are about 120 in the party who are either ministers or peers of the Government in any way," said Mills. "In there's another 150 or so who if they raised anything in the House would be laughed at because they don't understand the time of day."

"We don't want the issue raised in the House," ruled Richardson. "The aim is rather for them to write to the minister individually and say 'the last thing I want is job losses in my area.'"

"We have only one bite at this," he said. "We must be sure we get it right. My last two big conferences have both gone to the Monopolies Commission. We're going for a hat-trick and we're relying on you," he winked.

Richardson took a back seat only when the Allied executives began to labour with the looming problem of the trade unions' role in the lobby. Elliott had stolen a march and yesterday made a cursory attempt to seduce shop stewards in the beer division. Reports of the talks had already reached Allied.

Elliott, the reports said, was concerned that he had not given any assurances about jobs at his Press briefings. Since the beer business was the portion he most wanted to keep, he had felt it necessary to build bridges. Sir Derrick had countered promptly, calling friendly contacts at the General and Municipal Workers Union "trying to damp things down."

The company faced a considerable dilemma. The unions, concerned mostly about job security, were an important link in the lobby chain. They would be asked for their views by the Office of Fair Trading and brought back into play again should the Monopolies Commission investigate.

But corporate policy ruled that contacts with unions were to be handled only at local level. Headquarters had minimal contact.

"We have some friendly

making demands. "Anything on Elders. We need as much factual dirt as we can get."

Usually, the Office of Fair Trading had asked the company to provide a defence plan summary—to be known fondly as "the charge sheet"—to help guide it during its verbal interviews with Elliott and his advisers.

Warburgs men were puzzled for once: "It's very unusual." The OFT, it appeared, had asked "because all the elements which usually arise in these cases are missing." It was clear that the authorities were as much in the dark about Elders' bid, its backers and its intentions as the crew at Allied.

"It's good that they asked us. We can push them along the right lines before they see Elders," the lawyer noted cheerily.

But first the lawyers had to defend Allied against the Elders charges. They needed the fullest possible market share information about the group's products and everything on investment to refute the accusations that Allied was losing ground in the marketing battlefield and consequently coming second. More trench work for Pratt's men.

But the mention of "dirt" was much more enticing. Elliott had boasted of his management expertise. What evidence was there of this? Warburgs claimed he had curried favour through the senior Elders ranks, getting rid of anyone over 50.

"Terrific stuff," said the lawyer, unconvincedly. Remembering Warburgs' stringent standards, Richardson promptly back-pedalled. "We must avoid making assertions which are not absolutely supportable," he said.

The bank had been drilling in Elders' accounts, however, and one or two question marks had shown up. . . . a disaffected Elders executive was helping . . . there was something funny about the financing of the company's scheme for selling Australian publicans a share in their pubs. . . . Elliott's finance subsidiary had recently done a deal to acquire a 54.5% share in net assets of £138,000. What did it all add up to?

"It's a pretty scary story when you lift the lid off," suggested Seligman, again without much conviction. The seekers after truth appeared to have little of substance with which to attack the opposition. They seemed to be making cheerful noises to keep up their morale rather than following their usual incisive track.

The lawyers, who had only a few days left to prepare their charge sheet, tried to keep up the pressure. "Can you give us a bigger bugger for useful ideas?"

Melanie Gee, devilling for Warburgs, claimed Elliott did not appear to worry about employee relations but this was not quite what the lawyers needed. He appeared to be quite generous when redundancies were called for. His operation had been running so quickly recently that he reported to have had the time to establish proper links with the workforce.

The lawyers, meanwhile, were having difficulties with communications of different sorts. They had been struggling to discover the precise links between Elders' bid and the tangle of subsidiaries and associates which led to the bid on Allied's doorstep. They had talked together an impressive diagram embellished with boxes, brackets, lines straight and lines curved. . . . and a liberal sprinkling of . . . and liberal marks. They had at least identified the banks behind the deal—every one of them a highly reputable, large-scale international names.

Legal experts were also delving in the Cardiff Companies Registration Office and rummaging through the backroom on Elliott's associations in Monaco.

They had one harsh fact: "Despite the claim in HRI Sammel's (the merchant bank advising Elders) latest announcement that 'the ultimate interest in the offer is effectively that of Elders alone,' Allied-Lyons could equally well fall into 100 per cent ownership of the banks. . . . Unless the loans are the economic interest in the offer remains firmly with the banks."

Warburgs was in touch with the Bank of England on the vexed question of whether involvement checking whether Threadneedle Street had any authority to intervene. The legal position of Citibank, the consortium leader.

Working from tips in press reports, Warburgs had concluded that the Elders offer document was likely to be published on November 18. Working forwards, Seligman noted that crucial dates for the defenders were straddled uncomformably across the Christmas holiday. The last date for publishing press forecasts would be December 27 and Elliott could revise his offer on January 3. As was to emerge later, the Australian had a record of timing bids carefully to ensure maximum discomfort for the targets.

**DAY 2**

The Allied-Lyons defence corps pored anxiously over a photocopied digest of the intelligence-gathering mission. The men from S. C. Warburg were particularly taken with the abusive distortions of Allied logo on the press conference discourses.

"It was on TV and in effect advertising. I think we should shop him to the Takeover Panel," enthused Michael Valentine, a Warburgs director, hugging his copy of the Takeover Code.

Everyone seemed much happier. The first counter punch, more of a felt than a telling blow, had been thrown. Valentine, a prime mover in the six-man merchant banking team assigned to guide the Allied defence, and who was to emerge as a skilled trainer and occasional target for the brewer's team, had demonstrated the artilleryman's art of firing a sighting shot.

As happened frequently in the opening days of the defence, the Allied management had started the day psyching itself up into a gun-bite, up-and-at-em temper.

Sir Derrick Holden-Brown, Allied chairman, smiled indulgently at the early morning assembly. A septuagenarian, his newspaper reports on yesterday's press conference were tossed onto the boardroom table. That's one in the eye for Elliott. . . . Every journalist I've spoken to left the presentation with a nasty taste in his mouth."

The Elliott personality played an important role in the early phase. Lacking any real detail on the substance of the bid, and knowing surprisingly little about the attacking company, the defenders had little to go on. The structure of the bid and the significance of XLX, the off-the-shelf company formally making the offer, were mysteries.

The Allied camp relied heavily on their own and media perceptions of the man to keep up their morale. He had insulted them and their company. They were "tired"—even "awful"—the food division was a "hotch-potch," and most of the group's major products were under attack in their markets, Elliott claimed.

Entirely subjective judgments on his physique, demeanour, his "piratical" manner, his smoking and vague reports of ruthlessness in his home territory all served to fuel the tendency to personify the affair. It was rare to hear the company name. The name was "Elliott."

The significance of Warburg's morning message on communications was rubbed home at lunchtime by a trenchant presence stamping in the corridor. "What am I here for?" snorted an assistant managing director fresh from a Barrough upon Trent. "I'm here to give someone a good kick in the balls. That's what I'm here for. . . . What the hell's going on?"

The company lacked some of the most basic tools for corporate communications. There were plenty of channels in the three divisions and the plethora of operating companies. But there was, for example, no centralised register of employees. Headquarters had already bent house rules by embarking on its first corporate advertising campaign. Now it was to tinker with its carefully-constructed, highly developed management structure to get its messages through at levels . . . and to place a finger on the company pulse.

Warburgs, in the meantime, was to work on uncovering the mysteries surrounding Elders, seeking cracks in his defences for the time an offensive might be considered timely. "Knocking copy" was being prepared and no effort was being spared to prepare a document which came to be known familiarly as "The Dirt on Elders."

Only when the earthworks dumps had been built up could Warburgs allow the defence teams to consider the main assault. Even then it would not be launched at Elliott the man, Elders the predator company or any of their associates.

The main target, Warburgs explained patiently, was to be the group of fund managers whoing and dealing on behalf of the City's pension funds, insurance companies and unit trusts. They numbered a mere 270, but between them they controlled more than 70 per cent of Allied's equity and the day of the top 50 companies in Europe.

The company's formal communications network may have been shaky, but the jungle telegraph was throbbing

in the lobby. The lobby group Anthony Hilton, City Editor of The London Standard was demanded numbers—as much information as the divisions could provide on the position in the market of Allied brands so scorned by Elliott.

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**DAY 3**

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**DAY 4**

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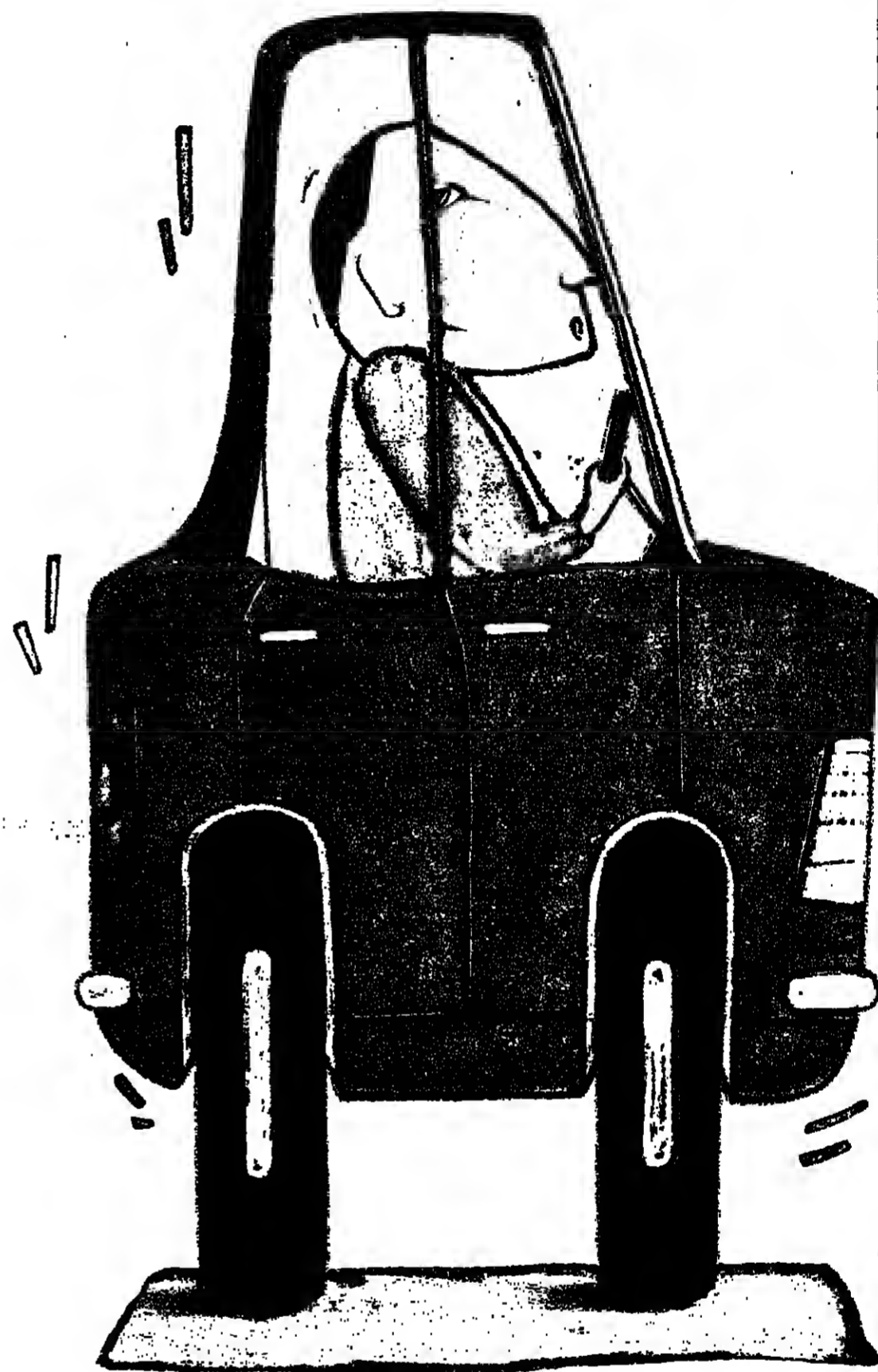
**DAY 4**

**DAY 4**

**DAY 5**



# WHY WE SQUEEZE A YEAR'S DRIVING INTO A WEEK.



Bolted into the average motor car, an engine clocks up about 10,000 miles in one year. Bolted onto a computerised test rig, an engine clocks up about 10,000 miles in one week. Seven days and seven nights of remorseless pressure. We put engines through this and many other tests at our Cheshire Research Centre. The aim is to fine-tune our fuels and lubricants. And to make sure oil and petrol design pushes ahead as fast as, or faster than, engine design. Also, we must admit, to squash the hopes of our competitors.



YOU CAN BE SURE OF SHELL

UK NEWS

# Anthony Moreton examines how the leading acrylic fibre producer is meeting the demands of a changing world market

## Courtaulds spends £1.5m to spin a yarn for its future

COURTAULDS, the world's leading producer of acrylic fibre, will be able to increase output of the yarn from its Grimsby plant by almost a third with the introduction at the beginning of this month of a £1.5m line at the factory.

Acrylics are particularly suitable for the knitted-goods industry, and the unit is part of a rolling programme costing some £5m to £6m a year to keep the company ahead of the competition.

Mr Harold Beaufoy, chairman of Courtaulds, the company's acrylics arm, says: "Five years ago we did not really know if there was a long-term future for the fibre. Our track record over the intervening years not only shows it has a future but also that we are the company to benefit from it."

Courtaulds is one of the world's top six textiles to clothing concerns. These sectors account for about 70 per cent of its £2.17bn annual turnover.

It does not break down the figures for acrylics but output this year is expected to reach about 190,000 tonnes, giving it a quarter of the European market and a slight lead over its nearest competitor, Bayer of West Germany.

In capacity, though, Courtaulds has a strong lead. It accounts for 27 per cent of European capacity compared with

Bayer's 19 per cent and 17 per cent for Montefibre of Italy.

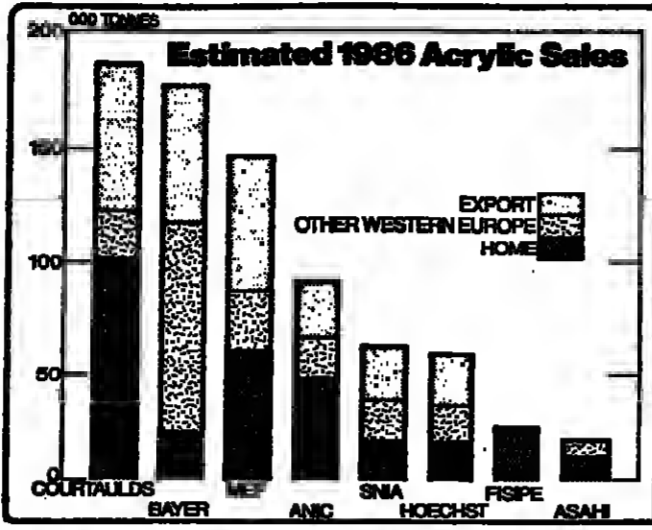
Acrylic is very much the European fibre. Nylon, the first of the three great man-made fibres, was discovered by Du Pont and remains the bedrock of the US industry. Polyester was developed in England but has become the Far Eastern fibre.

Acrylic remains European, geared to the knitted-products industry and a suitable fibre for use on its own or blended with cotton or wool by the sophisticated clothing manufacturers. Montefibre, Anic and Sna of Italy, West Germany's Hoechst and Portugal's Fielpe all directly compete with Courtaulds, though only Bayer and Montefibre come anywhere near it.

Mr Beaufoy believes Courtaulds has been able to consolidate itself at the top in spite of demand for fibres having been pretty flat over the last decade through a deliberate policy of getting closer to the customer.

"The basis of our strategy," he says, "is not just to be the leader in our chosen market sectors through strong brand marketing but also to produce near to the customer. He does not want to be hunting around the world for suppliers."

Courtaulds supplied that demand until 1984 from two



factories, the Grimsby plant and another in Calais. Then it bought El Prat de Llobregat in Barcelona from Cyanamka and expanded its empire.

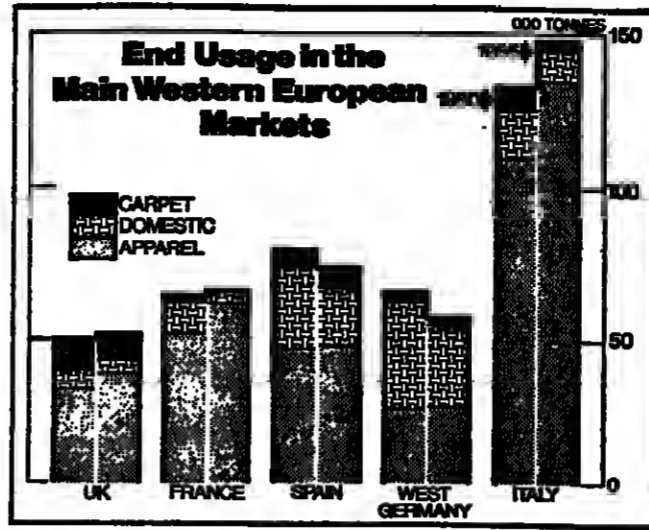
The Spanish acquisition was important not only because it took Courtaulds into the second largest individual market in Europe but also because it was then producing in countries that, in total, bought more acrylic than the European leader Italy.

The Italians, with their strong fashion industry, consume

almost 150,000 tonnes of acrylic a year, more than 90 per cent going to clothing. Before the Spanish purchase, Britain and France were consuming about 110,000 tonnes with Spain, the figure rose to about 180,000 tonnes.

Breaking into the Italian market would have been difficult, given the strength of the three Italian producers. But Courtaulds now has "home" markets which are virtually as strong.

Courtaulds claims one big



advantage over its competitors: in how it dyes the fibre.

"We dye the fabric in over 100 different colours every week," Mr Beaufoy says, "of which 10 to 15 will be new ones to a customer's specification."

"To meet our customers' needs we have developed a system, called Neochrome, by which we impart the colour to the fibre while still wet. This gives enormous advantages over conventional

batch dyeing."

The advantage of Neochrome is not just in the dyeing process. The real importance is that it allows small amounts of output, under five tonnes, to be produced more cheaply than by the conventional process. Neochrome-dyed acrylic costs between 15p and 20p a kilogram for orders of between five and 10 tonnes compared with 20p-25p for traditional spun-dyed fibre.

At the same time, it is possible to switch colours on the production run much more quickly. Some companies take up to seven hours to change colours. Courtaulds has got the time down to about 14 minutes.

Both speed of change and the ability to produce small amounts of fibre at low cost are exactly what the customer wants. Faced with increased import competition from low-cost sources, the garment manufacturer is reacting by changing fashions and styles more frequently. The traditional two seasons—spring and autumn—have long been replaced in Europe by at least four, with six not uncommon. The change in emphasis at shop level would have been impossible without developments such as those which Courtaulds has helped pioneer on the factory floor.

Mr Beaufoy is aware that this leading position will be maintained only by "continuing to invest steadily." Imports from Taiwan, South Korea and Turkey are beginning to creep up.

To keep Courtaulds ahead he is looking for other countries to buy into. With Europe virtually a closed book, because there are so many strong competitors, and the US a "missed opportunity for Europeans," the logic of his thinking, though he will not officially admit it, leads to Latin America.

This strategy also demands

that Courtaulds should move into other high-performance uses for acrylic. According to Mr David Buck, textile analyst at brokers de Zoete & Bevan: "A small but fast-growing part of Courtaulds' acrylic business is in industrial textiles for carbon fibre manufacture where £20m sales are growing at a minimum of 20 per cent a year."

Courtaulds has about 10 per cent of the world market, through Hysol Gradi, a company half-owned with the Dexter Corporation of the US, supplying advanced polymer composites, a sector that has been growing at more than 40 per cent a year for the past five years.

Carbon fibre, although small, typifies the sort of specialisation, alongside Neochrome, which is building Courtaulds' position of strength for the future, according to Mr Buck.

The company is making a hydrophobic fibre on an experimental basis to be able to produce, eventually, a small-volume specialty fibre. Other research is being undertaken on high-lustre fibres and with a more absorbent fibre for use in medicine.

"There has been a recovery in confidence in fibres," according to Mr Beaufoy, "and Courtaulds is well placed to take full advantage of it."



# Trans-Natal. Unleashing the full potential of coal energy.

Trans-Natal. One of the largest producers of coal in Southern Africa. A company in the Gencor Group committed not only to unleashing to the full the potential of coal as a viable source of energy, but which has also had the foresight to invest in people energy.

People with exceptionally strong management capabilities. An experienced, result-orientated team heading a modern, progressive and entrepreneurial equal opportunity company.

A company aware of, and carrying out, its

social responsibilities.

Trans-Natal cares as much for labour and staff relations as it cares about investing in operations which consistently produce the right quality coal for every market. Creating job opportunities and providing its customers with the kind of service they have a right to demand. Delivering on time, every time and playing a positive role in coal price stability.

People energy too, means Trans-Natal is an innovator in mining concepts. Concepts like multi-product collieries which produce different

qualities of coal in order to optimise the utilization of its natural resources.

And Trans-Natal is constantly looking to the future. Ensuring it has a massive reserve base to last well into the next century.

In addition to its recognised success within Southern Africa, the company is continually gaining momentum within the export market. With customers throughout Europe, the Middle East and the Far East.

Trans-Natal Coal Corporation. The energy of its people unleashing the full potential of its coal energy.



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**Message from the Secretary of State for the Environment**

We are all aware of how unsightly, offensive and dangerous litter is and how it makes our surroundings less pleasant. It can affect each one of us, either in the cities, towns and villages where we live and work, or on the countryside when we relax. Litter is also costly to clear up. The sad fact is however that litter is unnecessary. We create it ourselves through thoughtless actions and careless habits which could be avoided by more consideration. It is critical to persuade people to exercise responsibility for their waste, and it is in this regard that the Keep Britain Tidy Group make an invaluable contribution. Their Community Environment Programme offers a comprehensive approach to litter abatement and involves all sections of the community in tackling the root of the problem by aiming to change attitudes. The past year has shown the Group's continuing success in encouraging local authorities to adopt the well-balanced Programme. This success owes much to the use of the Group's staff employed under their Community Programme Agency with the Manpower Services Commission.

It is encouraging to record other achievements. The Beautiful Britain Campaign has again attracted more support and participation from local authorities, voluntary organisations, industry and commerce, and this year has seen the publication of the Group's latest research report on marine litter.

I can truly say that the Keep Britain Tidy Group is an excellent example of how organisations can assist Government in its tasks, and indeed how, through the efforts of a number of dedicated staff, the goodwill and enthusiasm of others can be harnessed to help eradicate the ugliness of litter from our society. However we should not be complacent. Our streets and public places are littered and there is still much work to be done and I wish the Group success in the coming 12 months in extending the take-up of the Community Environment Programme and through their involvement in wider environmental initiatives.

Nicholas Ridley *Nicholas Ridley*

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\* Extracted from the Group's Annual Report 1985/86.

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UK NEWS

# Steel suffers defeat in crucial defence vote

BY PETER RIDDELL, POLITICAL EDITOR

MR DAVID STEEL, the Liberal leader, yesterday suffered a highly embarrassing, but not necessarily irreversible, setback to his hopes of producing a joint Alliance nuclear defence policy with the Social Democratic Party (SDP).

After a tense and impassioned two-hour debate, the Liberal Assembly in Eastbourne decided by 652 votes to 628 to back an amendment that any British contribution to collective European defence should be non-nuclear.

This vote was despite the original view of Mr Steel and most Liberal MPs that the amendment would close off the possibility of discussions about nuclear policy between Britain and France, as the Alliance leaders have recently proposed.

The vote will undoubtedly cause strains within the Alliance as the SDP leaders will feel that Mr Steel has failed to deliver his party for the European compromise, which the SDP last week backed.

However, Mr Ian Wrigglesworth, an SDP MP, tried to draw some comfort by saying the Liberals were not unilateralist. The result will, however, be seized upon by Tory leaders to attack the Alliance's credibility.

Mr Steel himself, who did not speak in the debate, quickly moved

to minimise the significance of the vote. He described it as "only an irritant and not a serious setback". He said he would live with the result in view of the narrow margin and the interpretation placed on the amendment by the movers.

The Liberal leader said that the proposers had denied that the amendment was an obstacle to further discussions with the French and accepted that the Liberals could not obtain 100 per cent of what they wanted in any Alliance election programme.

These ambiguities of wording may allow Mr Steel to produce an agreed formula next year, but he will have to take into account the strongly anti-nuclear tone of yesterday's debate.

Mr Steel and his advisers had been confident of victory, after conciliatory gestures on Monday by Dr Owen. The defeat partly reflected the desire of Liberal activists to assert their own party's identity and long anti-nuclear record within the Alliance. But there was also widespread suspicion of the recent proposal by Mr Steel and Dr Owen for British/French nuclear discussions and for an alleged new Euro bomb.

Unusually for a party conference, the vote also appeared to be influenced by the debate itself with the most effective contributions coming

from the strongly anti-nuclear side.

In particular, in a warmly received speech, Mr Simon Hughes, the Liberal MP for Bournemouth, argued that nothing in the amendment precluded discussions with France and he emphasised the need for a non-nuclear approach.

Yesterday's debate provides a parallel with the decision two years ago, also against Mr Steel's wishes, to urge the removal of US cruise missiles from Britain. On that occasion, Mr Paddy Ashdown, the Liberal MP for Yeovil, acted as Mr Hughes did yesterday in challenging the leadership. But yesterday Mr Ashdown sided with Mr Steel, despite his reservations about any British/French nuclear deterrent.

The backers of the amendment were claiming last night that the vote would strengthen Mr Steel's hand in talks with the SDP, though there are no signs that Dr Owen will change his belief that Britain should remain a nuclear power at the moment.

Opening the debate, Mr Jim Wallace, the party's Defence spokesman, said that the amendment would foreclose a possible and important stage and render pointless an early stage of the initiative with Europe started by Mr Steel and Dr Owen.

Convergence report, Page 13

# GM fixes price for truck plant viability

ABOUT £700 must be cut from the production cost of each Bedford van if the Luton, Bedfordshire, factory where they are made is to be internationally competitive, employees have been warned by the parent group, General Motors of the US, Kenneth Gooding writes.

GM announced recently that 700 more voluntary redundancies were needed at the van plant and the 3,300 employees have been told that this is only one of the measures necessary to reduce the average cost of producing each vehicle by £500 almost immediately. The rest of the cuts must be found "in weeks rather than months," GM told them.

The large press shop at Luton north of London, is seriously under-utilised, GM said. In June the group called for 340 voluntary redundancies from the facility.

The company has spent £50m in the past few years to reorganise the Bedford van plant so that it can produce two small vehicles based on Japanese designs alongside its own 6E panel van.

Sales of the one-tonne Bedford Midi, launched early last year and based on an Isuzu design, have not lived up to GM's expectations either in the UK or Italy, a key export market. There has been some short-time working this year.

BRITISH TELECOM'S share of the large private exchange market is understood to be falling. BT entered the market only three years ago, but in the year to March it held a 60 per cent market share, according to one estimate.

Sir George Jefferson, BT chairman, is believed to have told a union delegation representing telecommunication equipment workers that BT is now losing market share in this segment.

Unions expressed concern about what it claimed was the increasing tendency for BT to buy equipment from abroad while some important markets still remained closed to UK products.

UNIVERSITIES in Britain were safe from closure, Mr Kenneth Baker, Education Secretary, said. "I will not even consider any such proposal," he told the Committee of Vice-Chancellors and Principals at a meeting in Edinburgh.

"I want to see a higher proportion of our young people and more older students going into higher education of all kinds. The alternative - of contraction in the system and closure of institutions - simply does not square with the country's need for highly qualified manpower."

TRANSPORT is increasing steadily as a proportion of the average British household's budget and has now reached 15 per cent, according to figures released yesterday by the Department of Transport.

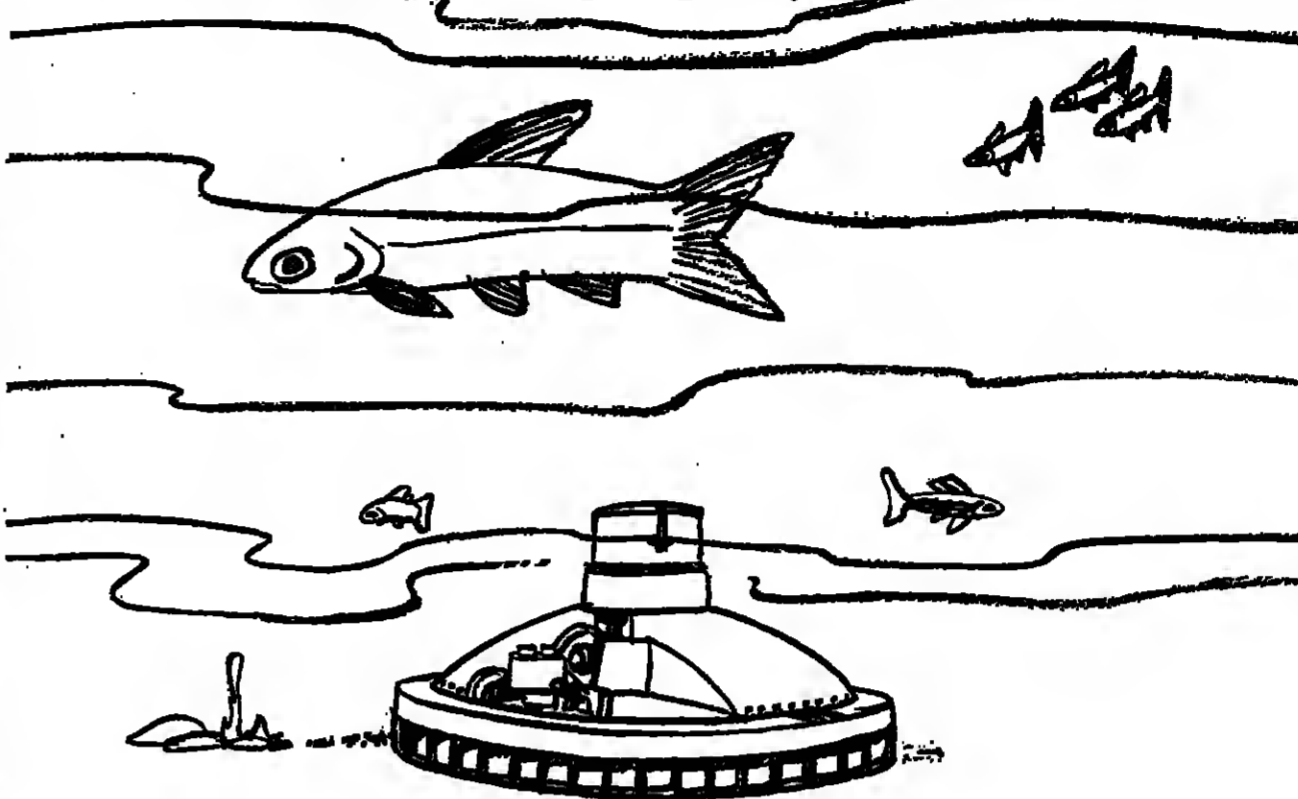
The department's annual review of transport statistics shows that in the first nine months of last year the average household spent nearly £21 a week on motoring, more than five times as much as on other forms of transport combined.

DRUG companies face action by a future Labour government that will curb their profits, Mr Michael Meacher, the party's chief health spokesman, said.

He claimed that the Government was allowing the drugs industry to increase further its "substantial profits" and that Mr Norman Fowler, Social Services Secretary, had abandoned any attempt to curb exploitation of the National Health Service by the pharmaceutical companies.

NABISCO breakfast cereals factory at Welwyn Garden City, north of London, will receive a 6.55 per cent wage rise this year under the 14th long-term pay deal negotiated by the food processing group.

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# Unions hail Telegraph agreement

By Raymond Snoddy

MR Andrew Knight, chief executive of the Daily Telegraph newspaper, yesterday described the comprehensive agreement reached with production unions on the Telegraph's London Docklands plant as a benchmark for the rest of Fleet Street.

Mr Knight was speaking before a signing ceremony in the new £75m printing plant in West Ferry.

"This is the first negotiated agreement and has features I suspect which other publishers did not expect to get in theirs," Mr Knight said.

The agreement, which provides for a 10 per cent reduction in manning levels and binding arbitration, was signed on behalf of Sogat 62 by Mr Bill Miles, general officer of the union. Mr Miles said the agreement was just a step towards making the Telegraph viable and showed a common-sense approach by his members.

"The manning levels, rates of pay, job security and procedure agreed are, I believe, going to work," said Mr Miles.

Ms Brenda Dean, general secretary of Sogat, had intended to sign on behalf of her union but was delayed. She said in a statement that the agreement demonstrated that with good will on both sides unions and management can reach collective agreements satisfactory to both parties.

The other production unions have already agreed to sign the deal which was largely reached at plant level between management and local chapters (union branches).

The new plant, which will be operated by 670 people compared with 1,080 at the old presses in Fleet Street, will start producing newspapers this Sunday and be fully operational by next April.

The agreement is seen as having a number of landmark features. They include manning levels based on technical requirements; plant bargaining in a joint standing committee; binding arbitration; and disputes undertaken all provisions included in legally binding individual contracts of employment.

# Hopes rise of new calm in coalfields

BY CHARLES LEADBEATER, LABOUR STAFF

THE FIRST meeting between National Union of Mineworkers and Sir Robert Haslam, the chairman of British Coal, ended yesterday with both sides holding out the hope of a more conciliatory approach to industrial relations in the coal industry.

After a three hour meeting Mr Arthur Scargill, union president, said he hoped the union would have a "continuing dialogue" with the board of British Coal. He said Sir Robert had offered an "open door" to the union to talk about issues in the industry.

Sir Robert said: "There was a good level of discussion, it was frank and calm. There were no histrionics, and some meeting of minds."

"The possibility that this meeting, the first between British Coal and the full executive of the NUM since May, 1984, could open the way to more conciliatory industrial relations in the industry still hangs in the balance."

Mr Scargill said that although British Coal had agreed to consider some of the points the union raised, the meeting had revealed basic differences between union and management.

The union's executive will meet tomorrow to decide their response to today's talks. Mr Jack Taylor, the leader of the Yorkshire area of the NUM, said last week he would back for a national ballot on industrial action if talks with the board did not end satisfactorily. Durham's 8,000 miners will next week consider starting a limited overtime ban.

The most pressing issue dividing the two sides is British Coal's decision to award many miners last year's pay increase without fully backdating it to November, 1985. British Coal says it has to withhold 10 months worth of the pay rise to make up for the £90m of pension fund contributions that miners misdirected through the 1984-85 strike.

Sir Robert admitted that this way of making up the shortfall in the pension fund contained "imperfections and injustices." However, he insisted that withholding part of the pay rise was the only solution because the NUM had rejected either higher contributions or lower benefit rights.

Mr Scargill said that the management team led by Sir Robert recognised that the decision to withhold part of the pay rise was causing mounting unrest in the coalfields.

# Morgan Stanley applies to join stock exchange

BY NICK BUNCKER

MORGAN STANLEY International, the UK-based arm of the New York securities firm yesterday applied for membership of the London Stock Exchange.

Mr Archibald Cox, who heads Morgan Stanley's London office, said the move was being made through a newly formed subsidiary to be called Morgan Stanley Options Limited. "You can infer from that that we will be interested in options," Mr Cox said, but he declined to give further details of the company's plans.

Mr Cox acknowledged that the application had come too late for the company to join the exchange in time for the Big Bang market re-

forms on October 27. Morgan Stanley International hopes that its membership can be granted by the end of November, however.

The company, which opened its London office in 1977, is already active in the UK in trading in securities such as American depositary receipts (ADRs).

Mr Cox said membership of the exchange would be a "logical complement" to membership of the New York and Tokyo exchanges and planned expansion in Switzerland and Germany.

"We believe that membership will help us in serving the investment needs of our clients and customers around the world," he added.

# Marks and Spencer reshapes at the top

BY CHRISTOPHER PARKES

MARKS AND SPENCER, Britain's leading retailer, has rearranged its top management team and installed a US-style chief operating officer to handle the day-to-day running of the company. The newly created post has been filled by Mr Richard Greenbury, aged 58, who has been joint managing director since 1978.

Lord Rayner, who remains as chairman and chief executive, will in future concentrate mainly on forward planning. Mr William Howard, 66, will retain his post-

tion as deputy chairman until he retires at the end of March next year. However, he loses his other title of joint managing director and the operating responsibilities which go with it.

Mr Greenbury, who joined the company in 1953 as a junior management trainee, was appointed an alternate director in 1978 and became a full member of the board in 1972. The company said yesterday that the changes were part of the evolution of the business.

This process has accelerated in the two years since Lord Staff stepped down as chairman, under the twin influences of Lord Rayner's aggression and the increasing challenge to variety and department store chains from specialist retailers.

M&S, widely considered to have lost its way in 1984, has developed and expanded rapidly since. It extended its product range, linked with Tesco, the supermarket chain, to exploit out-of-town shopping centres and

launched its own credit card.

More recently it has revamped many of its stores, dressing them to counter the attractions of the bright new breed of specialist competitors. It has also extended its range to include furniture.

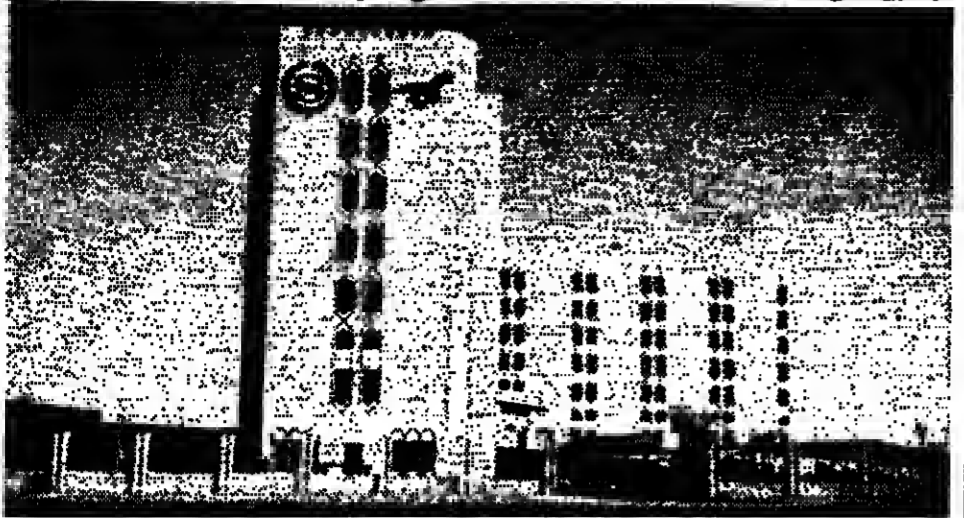
Breaking with past practice it hired outside public relations consultants and booked an advertising agency for its first venture into heavy campaign advertising. Lord Rayner said last year that he considered his job was "to manage change."

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UK NEWS

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Troubled food body still seeks a new chairman

BY ANDREW GOWERS

A NEW governing council took over yesterday at Food from Britain, the troubled marketing body - but the Government and farmers' leaders are still desperately searching for a new chairman to spearhead a re-launch for the organisation.

The council contains prominent names from the food and farming industries, including Sir Derrick Holden-Brown, chairman of Allied-Lyons, Sir Steve Roberts, chairman of the Milk Marketing Board, and Mr David Naisib, deputy president of the National Farmers' Union. It faces the difficult task of reorganising an organisation suffering from poor morale, uncertainty about its role and inadequate financing.

The failure to find a new chairman is a deep embarrassment to the Government, which has staked a good deal of prestige on making Food from Britain work.

Food from Britain was founded by Mr Peter Walker, then Minister of Agriculture, three years ago to improve the marketing of British food at home and abroad. But it has been dogged by persistent in-fighting between food manufacturers and farmers, and in particular between sectoral organisations such as the Milk Marketing Board and the Meat and Livestock Commission.

Earlier this year, Food from Britain almost collapsed when industry

bodies failed to come up with adequate funding to supplement a diminishing government contribution. It was subsequently saved by a promise of funds from cereal growers and is now supposed to reshape itself under the influence of the farmers.

The farming industry was also supposed to nominate a new chairman to replace Mr Nicholas Saphir, chairman of Hunter Saphir, the fresh produce distribution company. Mr Saphir has chaired the organisation from the start but has expressed a desire to leave. However, the NFU has failed so far to find someone who would be acceptable to its membership as chairman of FFB.

Nissan to replace best-selling models

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NISSAN UK, the independent importer of Japanese cars, today replaces its best-selling Sunny and Cherry models with one new range which retains the Sunny name.

Prices are increased by an average of 7 per cent partly because of the increased value of the Japanese yen compared with the pound, partly because the new range is slightly up-market from the old models and also because the old Cherry and

Sunny ranges were excluded from Nissan UK's 3 per cent average price rises which took effect in August.

Prices start at £5,500 and go up to about £9,000 compared with £5,000 to just over £7,000 for the old models.

The new range was launched in May in Japan, where it is called the Pulsar, a name owned by Ford in

Europe and therefore not available to Nissan.

With combined registrations totalling 52,000 last year, Cherry (23,300) and Sunny (28,700) accounted for about half Nissan's car sales in the UK. The importer, whose total volume is restricted to about 105,000 cars a year by the restriction on shipments of Japanese cars to Britain, expects to sell about 40,000 new Sunnys next year.

Sumitomo puts profit in sight at UK's Dunlop tyre plants

BY IAN HAMILTON FAZEY

THE TAKEOVER of Dunlop's European tyre-making plants by Sumitomo Rubber Industries of Japan 21 months ago has led to productivity gains of up to 22 per cent through a combination of investment, job-shedding and better working practices.

The loss-making UK plants are now likely to break even this year and make profits in 1987. The company's West German factories are in profit already, and operations in France are showing "good progress."

This was revealed yesterday when SP Tyres UK, the company formed by Sumitomo out of the Dunlop acquisitions, launched a new range of tyres for family and fleet cars. The tyres are being made at Washington, Tyne and Wear, north-east England, where productivity levels are now the highest in Europe and second only to Japan's.

The new range, which is called the Dunlop SP6 series, is the first new product since the takeover, and the company is claiming for its substantial technological advances in concerning stability, wet grip, steering sensitivity and noise reduction.

In spite of the higher value this is said to represent, the productivity gains are enabling the new tyres to be offered at only marginally higher prices than the Dunlop products they will supersede.

The line and middle management of the company is almost entirely the same as when Sumitomo took over. Mr Mike Wilson, the Washington production manager, said yesterday: "We have been given the investment the company needed and

set free to manage things."

Originally, Sumitomo imported into Washington three Japanese advisers - one each for technical, production and engineering management. Only the production adviser remains.

Investment at the company's plants in Washington and at Fort Dunlop, Birmingham, was £10m last year, £3m this year and will be £11m next year, followed by an annual capital allocation of about £10m. Key production investment was in machinery that is helping to improve consistency and reduce waste.

Productivity is measured in terms of manufacturing time. This consists of the average number of minutes taken to make a tyre, multiplied by a factor which takes account of the type and mix of tyres involved so that figures can be compared fairly.

Mr Ian Sloss, director of manufacturing and personnel, said that waste had been reduced by the joint efforts of the workforce, as well as better machinery. The figure had fallen from 15 per cent in 1984 to 5 per cent now.

Communications had been improved as a result of monthly briefing groups, and quality circles had been introduced. Suggestions at Washington were now averaging one per employee per year although there was still a long way to go to catch up with Japan, where the figure is three per employee per week.

SP Tyres UK now employs 2,600, compared with 3,500 under Dunlop in 1984. Most of the job losses occurred before the takeover.

Britons taxed more heavily than before

By Philip Stephens

THE BRITISH are more heavily taxed now than they were six years ago, despite the Government's reductions in income taxes, according to an analysis by the Paris-based Organisation for Economic Co-operation and Development.

The OECD study shows that the share of national income taken by the Government in taxation rose from 35.33 per cent in 1980 to 38.58 per cent in 1985. That places Britain among the most heavily taxed of the leading industrial nations.

Of the group of five biggest economies only France, with a 45.55 per cent share of income taken by tax, had a higher figure than Britain during the last two years while those for West Germany (37.97), the US (28.98 per cent) and Japan (27.38 per cent) were lower.

The OECD analysis covers all taxes, direct and indirect, and other compulsory contributions such as national insurance payments. It shows that, relative to most other industrial countries, the proportion of total taxation in Britain accounted for by income and profits taxes is below average.

However, property taxes - mostly local rates - in Britain represent a much larger share of government revenues than elsewhere.



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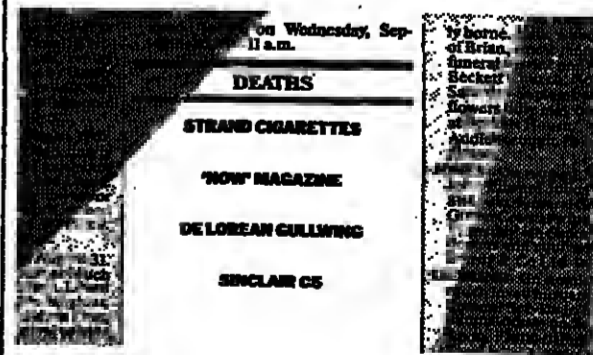
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UK NEWS

Liberals 'could never be in pact with Thatcher'

BY TOM LYNCH

THE LIBERALS could never make a pact with Mrs Margaret Thatcher to the event of a hung parliament after the next general election, Mr David Alton, the Liberal chief whip in the Commons, told the assembly. "A precondition for any co-operation between Liberals and Conservatives would be that Mrs Thatcher despatches herself to Dulwich as soon as the election is over," he said. Mrs Thatcher has bought a house in the London suburb. Mr Alton said Mrs Thatcher could never change - "it would be easier for a lion to become a vegetarian."

Liberal Party assembly

Mr Alton said Mrs Thatcher could never change - "it would be easier for a lion to become a vegetarian."

Rebuke for South African ambassador

By Ivor Owen

MR DAVID STEEL, the Liberal leader, strongly rebuked Mr Denis Worrall, the South African ambassador to Britain, for disclosing his previously unannounced plan for a four-day visit to the republic. Commenting on the fact that the ambassador had publicly suggested which places should be included in his itinerary without any prior consultation, Mr Steel said: "To put it mildly, this is undiplomatic behaviour from a diplomat."

Government housing record condemned

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE Government's record on housing was roundly condemned by the opposition yesterday. The Liberal Party, which called for a campaign to press for improved housing conditions and for increases in the number of homes to be built and sold. Delegates were told that the International Year of Shelter for the Homeless provided an unparalleled opportunity for a rethink of attitudes and policies in the field of housing. Mr Mark Hayes, the prospective parliamentary candidate for Stratford, in south-east England said that under the Conservatives the plight of the homeless had

Companies accused of giving schools excess propaganda

BY DAVID CHURCHILL

THE NATIONAL Consumer Council yesterday called for safeguards against excessive commercial propaganda in Britain's schools. It believes that too many companies are taking advantage of schools' lack of educational materials to provide them with teaching aids which are inaccurate or biased.

The council, in a report published yesterday, gives examples of excess propaganda by companies. Kellogg's, for example, quoted its brand name some 96 times in one educational booklet. This included using the Kellogg's name some 18 times on one page alone.

Lever Brothers was also criticised for a guide for children entitled: "How to tell the difference between a good quality dishwashing liquid (like Sunlight Lemon Liquid) and a cheaper dishwashing liquid." Sunlight is a product produced by Lever Brothers.

A leaflet from the Butter Information Council is also criticised for its attack on margarine.

Mr Michael Montague, chairman of the council, said yesterday: "We are not calling for an all-out ban on commercially sponsored teaching materials." But, he added, he was worried by "so-called educational material which is really just advertising designed to produce brand loyalty among children in the classroom."

Mr Montague said that "commerce and industry are entitled to put their point of view and to try to sell their products - but not in the classroom." The council is suggesting a number of safeguards, such as a code of

Mr Kenneth Baker, Education Secretary, yesterday gave a guarantee that no UK university would have to close through lack of cash - but declared that private money must play a bigger part in funding higher education. Mr Baker said students and employers should have more say in how public funds were shared among universities, and he floated the idea of a higher education "voucher" system.

Under the scheme, students would receive a per capita sum from the Government which would go to the institution of their choice - rather than all central funding being divided up by the University Grants Committee, as at present. The more popular universities or departments would therefore receive more money while the less favoured would be forced to change, claim supporters of the plan.

The report also suggests that the Office of Fair Trading could be given extra funds and responsibilities to prepare and fund consumer educational material.

Classroom Commercial: NCC, 18 Queen Anne's Gate, London SW1; £2.50.

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Fund-raising approved

BY TOM LYNCH

CONSTITUENCY Liberal parties will face large increases in their contributions to central funds, the assembly decided by 288 votes to 255. Mr Andrew Willis, the party's secretary general, said the party required a 1987 income of £700,000 of which it had to raise £465,000 from constituencies. "This represents roughly a 50 per cent rise on the expected constituency income for 1986 and is double the 1985 figure." Proposing the motion, Mr Chris Fox, chairman of the party's finance and administration board, told delegates: "We have put together the campaigning party you have asked for in resolution after resolution at party conferences."

Government housing record condemned

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

grown much worse. The number of homeless had doubled each year since 1978. Only half those applying in England during 1985 to be treated as homeless had been accepted. Mr Hayes claimed that an ever-increasing number of young people were now living on the streets and the crisis was deepening in the face of the "pathetic remnants" of a public house-building programme. The Government, he said, had responded by changes in the benefit regulations which forced people to move from town to town. He said that substantial extra investment in new housing to rent was urgently required.



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- List of paying agents: Banque de Paris et des Pays-Bas, Deutsche Bank Aktiengesellschaft, Societe Generale de Banque S.A., Bankers Trust Company, Banque Paribas.

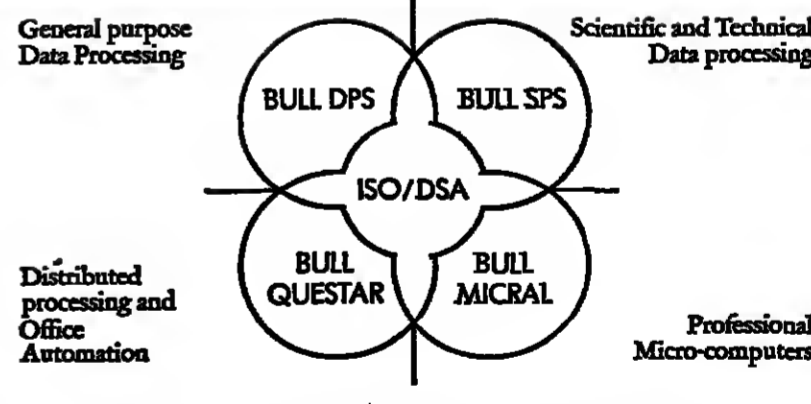
Interest on the Debentures will cease to accrue on and after the Redemption Date. The holder of any Debenture has the right to convert his Debenture into common shares of Northern Telecom Limited at the conversion price of U.S. \$29.6666 per share at any time up to the close of business on October 10, 1986 upon surrender of the Debenture together with Coupon Nos. 4 to 15 attached to any one of the paying agents listed above, accompanied by written notice, substantially in the form of the Conversion Notice appearing on the reverse of the form of Debenture, executed by the holder; that such holder elects to convert such Debenture; if the common shares issuable upon conversion of said Debenture are to be registered in the name of a person other than the holder of the Debenture, such holder shall pay all transfer taxes payable with respect thereto. No payment or adjustment will be made on account of interest accrued on any Debenture delivered for conversion or on account of any dividends on the common shares issued or delivered upon such conversion. No fractional common shares will be issued upon conversion of any Debenture and if the conversion results in a fraction, an amount equal to such fraction multiplied by U.S. \$29.6666 shall be paid in cash to the holder of such Debenture.

- Alternatives Available to Holders of Debentures: 1. Conversion of the Debentures into Common Shares by October 10, 1986; 2. Redemption of the Debentures on October 14, 1986; 3. Sale of Debentures through ordinary brokerage transactions.

Northern Telecom International Finance B.V. September 24, 1986

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# Ernst & Whinney senior partner

Mr Elwyn Ellidge, deputy senior partner of ERNST & WHINNEY, has succeeded Mr Peter Godfrey as the firm's senior partner. Mr Ellidge joined Ernst & Whinney in 1970, becoming a partner in 1972. He became managing partner in London in 1983 and deputy senior partner a year ago.

HILL SAMUEL INVESTMENT SERVICES GROUP has brought together its companies in Jersey and Switzerland to form Hill Samuel Investment Services Group (Europe). Mr Tony Pope, chairman of Hill Samuel & Co (Jersey), and Mr Fritz Jost, chief executive of Bank Voo Ernst & Cie AG, have been appointed joint managing directors of Hill Samuel Investment Services Group Europe. Mr Pope and Mr Jost will be responsible for the group's offshore operations

worldwide except in the Middle and Far East. Mr Martin Cooper has been appointed chief accountant. Hill Samuel Investment Services Group, Mr Cooper retains responsibility for unit trust administration and is being elected to the board of Hill Samuel Unit Trust Managers. Mr Roy Rutherford has been appointed managing director of Wood Mackenzie private client service.

Mr Peter Morris is appointed actuary and joins the board of Hill Samuel Life Assurance and Gisborne Life Assurance Co. Hill Samuel Professional Adviser Services is assuming responsibility for the Middle East offshore operations where Mr George Stephens becomes director of international marketing.

Ms Josephine King, formerly executive director at ARGUS CONSUMER PUBLICATIONS,

has become managing director. At METIER MANAGEMENT SYSTEMS Mr Paul Rolph has become group chief operating officer. After the company's acquisition by the Lockheed Corporation in 1983, Mr Rolph was appointed president and chief executive officer of Metier USA.

At ALEXANDER STENHOUSE Mr A. D. (Tony) Ashby has been made chairman and chief executive of its aviation and aerospace division.

CAPS (COMBINED ACTUARIAL PERFORMANCE SERVICES) has appointed Mr John Clamp its chief executive. He became a director of CAPS in 1985 and has been a member of the three-man executive for the past year.

Dr P. A. Knowlson has been appointed managing director of BOEHRINGER INGELHEIM. Dr

Knowlson was medical director for 11 years, before becoming deputy managing director. He succeeds Dr Gordon Hargreaves, who will remain as chairman. Dr D. M. Humphreys has been appointed scientific director, with responsibility for the medical, registration and pharmaceutical affairs departments in the UK.

Following a financial restructure, JOHN KING & CO (LEEDS) has made changes to its main board. The board is led by the managing director Mr Sam Rodgers, with Mr Peter Balmbridge as financial director, and Mr Derek Smart as works director.

ACTION 2000, a wholly-owned subsidiary of D. C. Cook Holdings, has appointed Mr Peter Southern, as a director. Mr Southern, who joined the com-

pany as development surveyor in 1986, has responsibility for the investment portfolio and for the acquisition and development of commercial premises — particularly for the motor trade — throughout the UK.

Mr Neil McClure has been appointed group finance director of FKB GROUP from October 1. Mr McClure joins FKB from Saatchi & Saatchi Co, where he was responsible for UK and international regional corporate finance.

STURGE HOLDINGS has appointed Mr Malcolm Butler to the newly created position of group director of management information systems. Since 1981 he has been group information systems manager with Lex Service.

At THE NATIONAL HOME LOANS CORPORATION Mr Ken Lewis, head of business development, has been appointed to the board as operations director. Mr Tony Motr, head of finance and

treasury, and Mr Terry Corahak, head of underwriting and mortgage administration, have been appointed divisional directors.

THAMES CASE has made two appointments: Mr David Thomas is appointed chairman and managing director. Mr Thomas has successively held the positions of general manager of Thames Case operations at Purfleet; sales and marketing director and latterly managing director. Mr Jack McDonald is appointed commercial director. Previously, Mr McDonald held the positions of regional accountant at Thames Case, Cumbernauld, Scotland and then commercial manager at head office, Purfleet.

COUNTY NATWEST CAPITAL MARKETS has appointed Mr Colin R. E. Paul as director responsible for documentation and marketing services and Mr Robert Lydden as manager for Northern Europe. Mr Paul was with Swiss Bank Corporation and Mr Lydden with Manufacturers Hanover.

# Pressure still on pump makers in tougher markets

BY NICK GARNETT

THE UK's pump manufacturers are having a rough time of it this year, and the outlook for 1987 looks just as tough. "It's a fight for survival," says Mr Tim Gianfield, chief executive of the British Pump Manufacturers Federation.

It is a fight which people in the industry expect most companies to win. Although the British pump industry is now less than half the size of West Germany's, the world's second-biggest producer after the US, the UK is still fourth in the world league table with sales last year of £450m.

Trading conditions are not as severe as the dark days of recession in the early 1980s, but the purchase this month of Henry Sykes by SPP reflects some of the stresses in the industry.

The acquisition, still to be confirmed by shareholders has a positive side. It fits in neatly with Reading-based SPP's philosophy of niche manufacturing. The company will get its hands on Sykes specialist designs pumps as well as Sykes' lucrative pump hiring business which accounts for 40 per cent of the UK hiring market.

However, the purchase is also aimed at rationalisation. SPP is shutting its Reading factory, west of London, and will concentrate much of its production at Sykes' Coleford plant in Gloucestershire, cutting 200 jobs from the combined workforce of SPP.

One reason for that rationalisation is that the Coleford site is now operating at only 45 per cent of capacity on one shift, and SPP Pumps, SPP's main operating arm in the UK, is predicting that its workload next year will be only 70 per cent of what it was in 1983.

British pump makers suffered more than their European competitors during the recession with employment falling from 28,000 in 1977 to 17,000 now. The industry halted the decline in 1984 and had a relatively good year in 1985, but this year some of the markets have taken a bad knock.

Pumps have a vast range of applications for moving liquids, from sewage and water to oil. They are used in boiler feeds in power generation plant and in filling cakes and other foodstuffs. Many of the pump makers are specialists.

The industry this year has been hit by falling demand in a number of sectors. The steep downturn in North Sea oil activity and the drying up of big capital projects, especially in the Middle East, has hit most European pump makers, but in the UK there have been few large domestic infrastructure projects to fall back on.

UK companies have become more export orientated. Mather and Platt, part of the Australian Worland group, exports 70 per cent of output, for example, and Weir Pumps in the Glasgow-based Weir group 50 per cent. But margins on exports are being squeezed tightly.

The West German industry, which includes Klein, Schanzlin and Becker (KSB), by far Europe's biggest pump maker with a broad line of products, and the French, whose pump makers are challeng-

ing the UK for fourth place in the world league table, are chasing the same markets.

The Japanese, the third-biggest producers who have traditionally been big exporters of the small standard submersible pump, are becoming increasingly aggressive with larger pumps, especially in power stations. The Koreans are also making a big play for offshore platform work around India — a big potential export market for the UK.

The Yorkshire-based Sulzer Brothers, which makes the bigger ranges of pumps from a factory built only five years ago, says the domestic market next year will be very difficult and overseas no better.

Some UK suppliers might have to keep an extra careful watch on their operations, but few, except some of the very smallest, are likely to fail. Mr John Nutt, SPP's chairman, says that even niche manufacturers now sell into a broad range of applications and industries.

Companies such as SPP are also emphasising their expertise in putting together higher value added "fluid systems" packages including engines and control systems. Most of SPP's smaller basic line pumps are now manufactured under licence in India and imported into Europe.

The other reason for believing that the industry's structure will not alter significantly in the near future is that even during the 1980s recession, when pump manufacturers' customers were going out of business in droves as manufacturing plants shut down, almost no middle or large pump makers disappeared. Weir buckled but survived.

There were also few changes of ownership. The most important of these was the purchase by Dresser of the US of Worthington, the North American pump manufacturer which as Worthington Simpson in the UK had been half-owned by Weir.

SPP was the subject of a management buy-out in 1983 from parent Booker McConnell, and Godiva, SPP's fire pump arm, purchased Trinity Hathaway. The pump industry has been flush with rumours that Wormaid would like to sell Mather and Platt. Mr Neil Potts, Mather's managing director, says the rumours are unfounded.

Little major restructuring has taken place in Europe either, the most significant development in the past few years being the acquisition of Pompes Guinard, the big French manufacturer, by KSB.

The British pump industry, which includes 37 subsidiaries of US companies and 14 of West German, according to consultants Frost and Sullivan, is an example of the way some parts of UK mechanical engineering are still playing a significant role in world markets, despite fragile domestic demand.

But pump manufacturing also shows the remarkable size and resilience of the West German industry which benefits from 60 per cent higher domestic demand than in the UK and whose manufacturers dominate its local markets.

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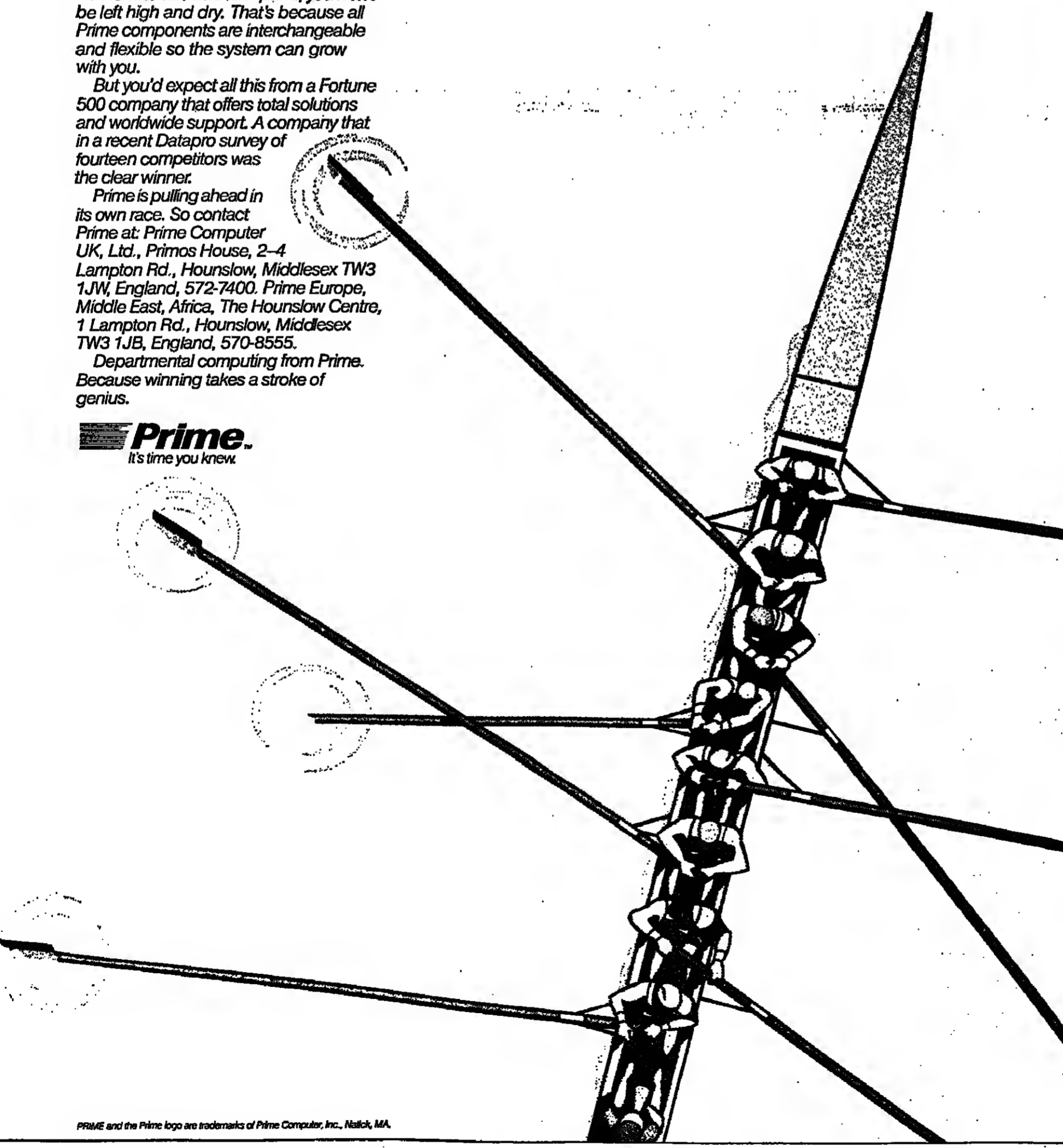
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UK NEWS

Guinness chief accused of contempt by MP

BY TOM LYNCH AND LIONEL BARBER

MR ERNEST SAUNDERS, chairman and chief executive of Guinness, the UK brewing and leisure group, has been accused of contempt of Parliament over his lobbying of an MP during Guinness's £2.5m takeover of Distillers, the international drinks business.

the views I would otherwise have expressed in the debate and refrained from endorsing the Argyle bid, even though I had indicated outside the house that, on balance, I would have preferred it.

Kinnock challenged over 'swing to right' of party's policies

BY JOHN HUNT

A STRONG attack on Mr Neil Kinnock, the Labour Party leader, for moving to the right on party policy is made by Mr Eric Heffer, the former party chairman, in a book to be published tomorrow.

His criticism comes as the Labour Party prepares for its annual conference in Blackpool next week. Mr Heffer, a left-winger who is MP for Walton (Liverpool) and a member of the party's national executive, stalled off the platform at last year's conference when Mr Kinnock made his speech attacking the Liverpool millitancy.

ty conference with Mr Kinnock's "grossly unfair and cruel speech" an atmosphere of witch-hunting has developed in the party.

BA helicopter unit sold to Maxwell

BA helicopter unit sold to Maxwell

By Michael Dome

BRITISH AIRWAYS has sold its helicopter subsidiary, British Airways Helicopters, for £12.5m cash, to a company jointly owned by Mr Robert Maxwell and his family and the Scottish Daily Record and Sunday Mail, a subsidiary of Mr Maxwell's Mirror Group Newspapers.

is the transformation of the party into another SDP (Social Democratic Party), a party which, although retaining a written socialist constitution, finds it is increasingly being ignored," he says.

Bakers meet half-baked ideas on bread values

Bakers meet half-baked ideas on bread values

BY FIONA THOMPSON

BAKERS are being thwarted in their bid to supply Britons with their daily bread by false ideas about its food value.

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commercial bankers  
learn to appreciate each  
other's strengths?



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UK PAY SETTLEMENTS

Return of the going rate

By David Brindle, Labour Correspondent

Bad day for the Alliance

THE Liberal Party's vote in favour of a non-nuclear defence policy was being poignantly described in Eastbourne last night as an embarrassment for Sir David Steel, the Party leader.

Way through the planning maze

A PRIVATE householder can be ordered to change the colour of the front door, the immediate neighbour can be commanded for projects deemed to be in the national interest.

IT MUST be getting chilly in the Confederation of British Industry's high-rise headquarters in London's Centrepoint tower. It is, after all, nearly a year since Sir Terence Beckett, CBI director-general, first spotted that "unique window of opportunity" was open to employers to bring down the level of pay settlements in the UK economy.

Because we are able to make job savings, our remaining few staff can have fully justifiable increases in excess of inflation. That window—low inflation—is today gaping even wider. Sir Terence still points invitingly to the lush low-cost land beyond. But, like circus animals which have performed too long on a pay/prices treadmill, employers seem reluctant to escape into that world.

Wolffson's uphill push

Brian Wolffson, who today starts a two year stint as chairman of the British Institute of Management, believes that some of Britain's industrial problems stem from a culture which heaps shame on people who have failed in business enterprises.

Men and Matters

Actually, Spencer believes that the key signs for girls in the market ahead will come from across the Atlantic in the US Treasury bond market where interest rates could rise in response to the US deficit.

Such criticisms are a little unfair. The pay round is alive and well, if not quite as robust and attention-seeking as it once was. So, too, is the going rate. Ever since the Labour Government introduced in August 1975 the 5% week pay rise limit, in response to inflation of almost 27 per cent and average increase in manual earnings of 28.3 per cent, the idea of an annual autumn pay benchmark has been rooted somewhere deep in the nation's psyche.

Long-term deals can often aggravate wider problems

return of free collective bargaining in 1975 is the seasonal balance of the pay round. November has declined in importance as a settlement date as bargaining groups, anxious to get out of the front line of autumn negotiations, have shifted to January and April.

Classics man

The Great Investment Race — in which 18 fund managers are competing to raise funds for charity—begins at noon today and the City of London teams are starting to put in pollabing up their investment strategies.

Japanese puzzle

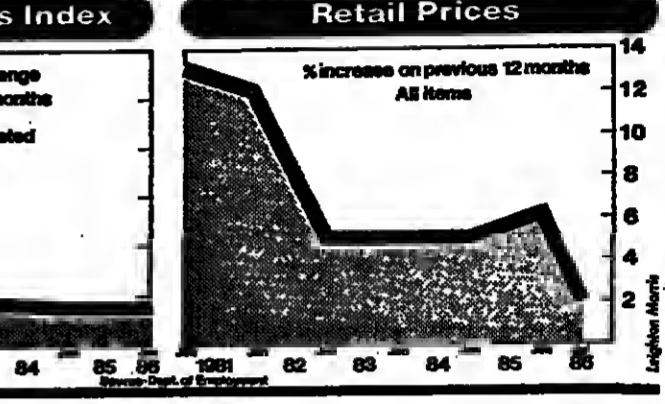
When it comes to choosing people for senior positions in business and government, the Japanese are normally painstakingly methodical in checking out all possible ramifications of an appointment.

Going for gilt

Whitehall is about to lose another bright star to the Big Bang. Peter Spencer, one of the Treasury's experts on the financial markets, is going to Credit Suisse First Boston, the powerful Euromarkets house, to head their gilt-edged research department.



Key Pay Settlements table with columns for August and September, listing companies like Bacon curing, Gillette, and Lock Industry with their respective percentages.



backdating of a 5.9 per cent settlement. The unions are not yet a busted flush. One of the most recent settlements is a 6.25 per cent deal, effective September 1, for 4,500 employees of Burton Menswear.

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Marine Midland to buy First Penn for \$585m

By William Hall in New York MARINE MIDLAND Banks, majority owned subsidiary of Hongkong and Shanghai Banking Corporation...

Pretoria hopes Reagan will veto sanctions

BY ANTHONY ROBINSON IN PRETORIA

MR PIK BOTHA yesterday rejected the US congressional sanctions package as "unwarranted foreign interference in South Africa's internal affairs..."

(ANC) to "suspend, abandon or end violence" and another which required an investigation by the Central Intelligence Agency...

After repeating South Africa's policy of not imposing counter sanctions, Mr Botha qualified this position: "I cannot say that in certain cases South Africa will not react by introducing an import licensing system..."

Asked about last weekend's separate meetings between Mr Oliver Tambo, the ANC leader in exile, Sir Geoffrey Howe, the British Foreign Secretary and Mr Chester Crocker, US Assistant Secretary of State for African Affairs, Mr Botha said he hoped that both men had fully explained their opposition to the ANC's strategy of violence.

TSB issue gives UK bout of flotation fever

By Richard Tomkins and Hugo Dixon in London

MUCH of Britain seemed to be gripped by flotation fever yesterday as thousands of investors prepared last-minute applications for shares in the £1.5m (£2.17m) offer for sale of the Trustee Savings Bank (TSB)...

As today's 10 am deadline loomed, TSB reported an extraordinarily high level of interest in the issue and said people had been flooding into its branches throughout the country to hand in their applications...

In the City, London's financial district, queues of would-be investors stretched for up to 150 yards outside the TSB's Chesapeake and Lombard Street branches. Small investors with applications for shares worth about £1,000 seemed to be heavily represented in the queues...

Mr Richard Bing, TSB communications controller, said the bank was delighted with the response so far and that the level of interest seemed to have increased substantially in the last few days.

"I think this is partly because people have become aware that the deadline is approaching and partly because of press comment in the last week suggesting that the issue is going to be a sure-fire success," he said.

Ten designated branches of Britain's leading commercial banks will be receiving last-minute applications this morning - seven in London and the other three in Edinburgh. They are expecting to be busy and will open their doors to applicants at 8 am, or even earlier if queues begin to form. Mounted police will be on patrol to help with crowd control.

Mr Bill Payne, senior registrar at Lloyds Bank, the lead receiving banker, said any queues as the deadline approached would be avoided by allowing everyone who deposited their application forms whether they were through the doors by that time or not.

The TSB repeated its warning that tough action would be taken against people who submitted multiple applications. All cheques cashed to suspect forms would be cashed before being returned, and clear cases of multiple applications would be passed to the Director of Public Prosecutions.

"We are taking a very harsh line on this: we want to make absolutely sure there is no cheating," the bank said.

Britain's largest building societies reported yesterday that people had been running down their deposits to pay for TSB shares. Some estimates that withdrawals from the building societies alone would cover the whole of the £750m partly-paid issue.

Mr Tim Melville-Ross, chief executive of Nationwide Building Society, said tens of millions of pounds had been withdrawn in the last week and that the effect on building society deposits had been more dramatic than it was just before the British Telecom flotation two years ago.

Philip Stephens writes: The Bank of England is not expecting the TSB sale to create any particular strains in London's wholesale money markets tomorrow. Unlike previous privatisations, there is no flow of cash from the banking sector to the Government.

The huge build-up of banking deposits before the sale, however, could cause distortions in the Government's targeted response for the money supply. The British Telecom sale in November 1984 is thought to have caused erratic movements in money supply growth for at least two months.

Estimating the possible size of any distortions, however, will be impossible until full details of the size of the response to the TSB offer and the timing of allocations and cheque returns are clearer.

Stewart Fleming in Washington writes: Dr Basil Spinks, chairman of the White House council of economic advisers, said yesterday that the prospects "gathering strength in economy activity" in the US economy in the months ahead.

THE LEX COLUMN

The Colonel's used car



After the largest rights issue in Italian stock market history in April, Fiat looks set for the largest secondary market equity issue anywhere. It is clear that Libya is selling its splendid counter-cyclical investment, at over 10 times the original cost (excluding rights subscriptions), and that Deutsche Bank - the established specialist in heavy lumps of motor equity by appointment - is placing a portion round the world.

The markets were quite happy to make up the rest of the story. While Frankfurt was chasing up Deutsche Bank's share price, Fiat was rising in Milan at the lifting of a substantial political burden and there was talk of arbitrage opportunities on a discounted placing in the bourse. Through the Fiat holding company and its friends are expected to take a good portion of the issue, the markets outside Italy may still be asked to absorb over \$2m in Fiat equity.

Fiat has been doubling its earnings with meteoric regularity for three years and will probably do so again this year. Whether the Libyas are simply calling in their downstream investments to replace lost production revenue, or are fearful for their overseas assets, the divestment makes every sort of financial sense. No doubt the good colonel has come to the conclusion that a price/earnings multiple of 10 does not adequately discount Fiat's heavy dependence on a protected domestic market and the somewhat slower growth in store.

Oils

The market was nicely prepared for a cut in Lasmo's interim dividend. But the omission of any payout at all, and no indication whatsoever about the final, was a genuine shock, sending the share price down below £1 before recovering to 110p down 7p on the day. It does seem odd that having earned 0.4p per share, Lasmo could not at least have paid 1.5p, representing a distribution of the £2.3m of dividends that it will receive as 20.9 per cent shareholder in Enterprise Oil. But even if Lasmo proceeds to pass on all its franked income in the form of a final dividend, it is prospectively yielding barely 4 per cent, which will hardly turn a soft recommendation into a hold.

It seems that Lasmo has given up its plans for a merger with Enterprise Oil, and on December 15 it will be free to dispose of its stake in that company. Although RIZ has first refusal, it would by then be possible for British Gas to make an approach for part of the assets which it so much resented losing. If RIZ does not have a clear run at Enterprise, its deal to swap the stake in Enterprise for one in Lasmo looks even more dubious: since it was struck Enterprise's share price has dropped by 14 per cent, Lasmo's by 52 per cent.

Lasmo has joined the list of oil companies who have refused to concede the necessity of making substantial asset write-offs. Clyde Petroleum has broken with this tradition by stating openly that a year-end extraordinary loss of £25m might be necessary. But since

Clyde's shareholders' funds would still greatly exceed its present market capitalisation, it can afford to be frank.

Sterling

Enough is, evidently, enough. The luxury of watching the market grind out of balance between dollar and D-Mark was pleasant while it lasted. So long as the pound was holding up reasonably against one of these currencies, its movements could be rationalised as mere friction in the foreign exchange machinery. Once it started to fall against both sides at once, there was no dismissing the fact of sterling's weakness: at an effective rate below 70, and sliding, further acquiescence from the authorities would have begun to look like official encouragement to sell.

Yesterday's demonstration that the central bank was prepared to take on the forex markets in peak trading hours, selling both dollars and D-Marks, had at least the virtue of being a clear indication that a prolonged sterling devaluation is not the Bank of England's mandate. But apart from its value as a signal, the interventionist was of very short-lived value; the bounce in sterling was flattened out by the markets in a matter of hours. If the Bank is to make its point, it may have to repeat the dose, and try for better timing. An early-morning ambush in the East, perhaps?

The alternative of punishment by rising interest rates is at present even more inconvenient than usual. Apart from the fact that widening international rate differentials in the bond market have already failed to hold the exchange rate, the Bank has to consider the background of a Conservative conference and the sale of British Gas. Maybe the interval between these two events might be the point at which base rates could be driven up, in order to stiffen the currency and provide a graceful slide down towards the Gas flotation. The trouble with that idea, familiar and comforting as it may seem, is that UK interest rates are probably quite high enough already; and the Duke of York trick would be seen for what it is. The difficulty about selling gilt-edged these days is not the yield - it is the TSB.

Cracks show in French unity over Chirac terrorism strategy

BY DAVID HOUSEGO IN PARIS

THE POLITICAL consensus in France over the handling of the terrorist issue appeared to be fraying at the edges yesterday after critical remarks by the Socialist Party that the Government was failing to keep public opinion sufficiently informed.

Mr Lionel Jospin, the First Secretary of the party, said that the Government should provide more information on "what leads it is following, what assumptions it is working on, and what went wrong on the diplomatic level" in the Middle East.

Mr Jospin, who along with other leaders of political parties, saw Mr Jacques Chirac, the Prime Minister, last Friday, said that what he had been told by Mr Chirac is "not sufficient."

His remarks reflect Socialists' fears that in rallying to Mr Chirac's call for national unity against terrorism, they have provided him

with too open a cheque.

The Socialists' criticism on the lack of information comes at a time when the Government has still not made clear whether it believes the wave of recent bombings was mainly the work of the Lebanese Revolutionary Armed Faction (the theory favoured by the police) or whether it stems from a larger movement of Middle East terrorist groups and states.

The Socialists' unease also comes at a time when there are increasing recriminations among the political parties over past errors in France's Middle East and hostage diplomacy that have made France prey to terrorist attacks. On the wider diplomatic issue - including the French position over its peacekeeping forces in the Lebanon - Mr Chirac will outline the Government's current policy when he addresses the United Nations in New York today.

Meanwhile, Syria yesterday sought to distance itself from any responsibility for the terrorist attacks. Mr Farouk Sharrif, the Syrian Foreign Minister, said that he was shocked by what he called the "anti-Syrian campaign" in the West, and that a time of improving ties between the two countries.

The Socialist's political discomfort is also due to their belief that the terrorist issue is strengthening Mr Chirac's popularity and diminishing President Francois Mitterrand's power. In an effort to maintain the President at the centre of the stage, Mr Pierre Berégovoy, the former Finance Minister, implied over the weekend that the President should be given exceptional powers if the situation worsened.

All three of the terrorists whose release is being sought by those claiming responsibility for the recent attacks have now been transferred to the high security La Santé prison in Paris.

Weinberger's TV attack sparks row with British Labour Party

BY JOHN HUNT IN LONDON

MR CASPAR WEINBERGER, the US Defence Secretary, was the centre of a row with Britain's Labour Party last night over criticism of the party's unilateralist nuclear weapons policy which he makes in a BBC TV programme.

In the interview, to be broadcast on Monday during Labour's annual conference, Mr Weinberger says that the party's anti-nuclear defence policies risk the break-up of the North Atlantic Treaty Organisation.

He argues that the stationing in the UK of F-111 bombers capable of dropping nuclear weapons and the bases for cruise missiles and nuclear submarines are in fact Nato, not US, installations.

It is highly unusual for members of a government of a friendly power

to intervene publicly in the internal political affairs of another country. The contents of the interview are believed to have been leaked by the Pentagon, where officials are worried at Labour's anti-nuclear stand.

Mr Weinberger's remarks brought an angry response from Mr Denis Davis, Labour's defence spokesman, who described them as a crude attempt to swing British public opinion against Labour in favour of the Conservatives.

"I think that Mr Weinberger is very anti-Labour," he said. "He's anti social democracy in general. Countries that are allies should not say these sorts of things about each other and accuse governments change and they must continue to deal with one another."

Under Labour's defence policies, Britain's independent nuclear deterrent would be scrapped, American nuclear bases closed and territorial waters forbidden to US ships carrying nuclear weapons.

But Mr Davis maintained that Labour remained loyal to Nato and if elected would continue to commit 95 per cent of Britain's defence spending to the alliance.

Pentagon officials have told US journalists that the Weinberger interview contained the strongest warning any leading US official has given about Labour's defence policies.

Mr Neil Kinnock, the Labour Party leader, is expected to appear on the Panorama programme next Monday and to strongly deny Mr Weinberger's assertions.

Shevardnadze attacks Star Wars

Continued from Page 1

years at the UN. Although he characterised Mr Reagan's speech as propagandistic, he said he did not himself want to engage in polemics. He made a brief reference to the proposed second summit meeting between Mr Reagan and Mr Mikhail Gorbachev and refrained from criticising the US position on this. "Let me say that we are far from regarding our relations with the United States as holding no promises," he declared. "Lately, encouraging outlines of meaningful

agreements have been emerging. A summit meeting is also a realistic possibility. We could move forward rather smoothly if that is what the United States side wants."

He made no mention of the case of Mr Nicholas Daniloff, the US reporter who was arrested in Moscow and accused of spying. The US has termed the case an obstacle to an accord on the holding of a summit. Mr Shevardnadze and Mr George Shultz, the US Secretary of State, discussed the matter again today.

DM 24708. Dealers said trading was busy with a higher than usual volume of pound/D-Mark activity. Although the Bank of England's intervention had helped support sterling, some dealers felt the effectiveness was wearing off by the end of the day.

The vulnerability of sterling has come at an awkward time for the British Government. At the Group of Five talks and the subsequent annual meeting of the International Monetary Fund, the US is expected to step up pressure on European governments to lower their interest rates.

The Government had planned to use the IMF meeting to remind voters that this year marks the 10th

World Weather

Table with 4 columns: Location, Temp, Wind, Rain. Lists weather conditions for various global locations.

UK steps in to defend pound

Continued from Page 1

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The Government had planned to use the IMF meeting to remind voters that this year marks the 10th

anniversary of the sterling crisis of 1976. The then Labour Chancellor of the Exchequer, Mr Denis Healey, was forced to turn back from London airport on his way to Washington to cope with the IMF austerity package. The present weakness of the pound, however, has led to suggestions in Whitehall that it might not be advisable to make too much of the anniversary.

Stewart Fleming in Washington writes: Dr Basil Spinks, chairman of the White House council of economic advisers, said yesterday that the prospects "gathering strength in economy activity" in the US economy in the months ahead.

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JOB

# Trouble looming for UK professional people

BY MICHAEL DIXON

IT IS a safe bet that while many readers will be professionally qualified Europeans, few will know of an impending intervention in their professional affairs.

Why it should be unknown to most of the people who stand to be affected may at first seem a bit of a mystery, because the intervention has been under way for the past quarter century or so. But the mystery is cleared up by the fact that the intervention is being strangled by the European Economic Commission, which has notorious difficulty in getting citizens of its member countries interested in its activities no matter how much it subsidises them.

The typical stoicism of the British towards going on elsewhere in Europe was long ago symbolised by the newspaper headline: 'Fog in the Channel cuts off Continent.' It is not only the Brits, however, who are less than electrified by the machinations of the EEC.

Hence one of the main resolutions passed by leaders of the European Economic Community's countries at their meeting two years ago. They decided that the community will spend little or nothing on anything which nominally belongs to it, and that it must do something quick to make them prick up their ears. And hence in turn the sudden looming of the long rumbling intervention.

Its time-honoured aim is to enable people deemed qualified to practise a profession in any one of the community's states to do the same in all of the others, whether in a self-employed capacity or on some organisation's payroll. The only grounds on which a state could bar outsiders would be if the job they sought involved the "exercise of official authority" or if they could be shown to be a threat to public order, security or health.

On the face of things, that prospect ought to be attractive to the assorted professions concerned because it would considerably broaden their members' working horizons. But the EEC has made singularly little progress towards making the aim a reality.

When it started trying well over 20 years back, it concentrated on particular professions with a view to getting each of their European branches to accept the others' qualifications as licences to practise.

The first profession in which broad agreement was achieved — and only enshrined in specific EEC "directives" — was medicine. Then followed several types of work allied to medicine — including nursing, veterinary surgery and midwifery. Certain aspects of law practice were also brought under the umbrella. So, after several years of hickering, were architects.

But the process of bringing

in a university or equivalent institution properly accredited by one of the EEC states. The effort to establish a directive covering engineers, begun in 1968, remains unsuccessful. And even though community-wide scope for medical doctors has been agreed on paper, some of the individual states are still resisting it in practice.

Consequently, when the leaders of the European countries told the EEC that it must start doing something to get itself noticed, the commission decided to go-up progress with the professional intervention by adopting a different approach. Instead of trying to pick professions off piecemeal, it decided to bring them in all together.

To that end it has now published the draft of a general directive which would give community-wide rights to practice to all people whose professional qualifications measure up to certain specified yardsticks.

The trouble is that the most important yardstick chosen by the Brussels-based Eurocrats is one which implies difficulties for many British nationals at least. The key measure for judging whether or not people are professional enough to practice throughout the community would be whether or not they have successfully completed at least three years of full-time "vocational education

by writing to their professional body enjoining it to back up the Lords committee's recommendation with full vigour.

## Exploratory

LIKE most folk who want to do something new, Bristol University's eminent Professor Richard Gregory and his associates have met repeated obstacles in their effort to provide people ignorant about science with a different means of learning about it. But their project to set up an "Exploratory" equipped with hands-on devices by which individuals can teach themselves scientific principles, is now evidently ready to go.

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Career prospects are very attractive and the remuneration package, including a profit share, is competitive.

Written applications with full curriculum vitae should be sent, in confidence, to:

T.S. Rowan, Executive Director,  
Singer & Friedlander Limited,  
National Westminster House, 8 Park Row,  
Leeds LS1 5BQ.

Member of the Britannia Arrow Group.

## VENTURE CAPITAL

An independent venture capital company, owned entirely by its management, seeks another member for its small executive team. An additional £15m of institutional development capital has recently been raised bringing the total under management to £30m.

Preferred candidates will be in their thirties and have worked at least five years in venture capital management. They will be capable of handling on their own all aspects of the search for good investments, the structuring and negotiation of transactions and the subsequent monitoring of a portfolio. They must be able to play an active role in advising and assisting the companies in which investments are made.

The successful candidate will be offered equity participation in the management company as part of a competitive remuneration package.

Reply with full curriculum vitae to:  
Box A0270, Financial Times  
10 Cannon Street, London EC4A 3DF

We have been retained by two international banks who wish to actively expand their Corporate Finance activities. As such, they are seeking individuals with a minimum of 3 year's experience in the marketing of a range of Corporate Finance services. These individuals will be responsible for both obtaining additional business from existing clients as well as identifying new areas of operation.

**FINANCE MARKETING**  
to £30,000



Please contact Clive Hudson in strict confidence on 01-437 2521 or write enclosing a CV to: Mac Blain Nash Banking, (Recruitment Consultants), Carrington House, 330 Regent Street, London W2R 5PE.

# Chief Eurobond Dealer

£50,000 + Bonus + Benefits

A newly formed Eurobond operation, part of a well-established international financial services group, is currently seeking a senior Eurobond Dealer to recruit and lead a team and develop its market presence.

This exciting opportunity would ideally suit candidates who wish to develop in terms of management experience, and are proven self-starters. With the title of Manager and reporting to the Director in charge, applicants should have the maturity to co-ordinate a separate profit-centre and the drive and energy to make it succeed. A sound understanding of all aspects of the Euromarkets is a prerequisite.

An attractive salary package including a performance related bonus will be offered to suitably qualified candidates.

Interested applicants should contact Sally Poppleton, Manager, Securities Division on 01-404 5751, or write to her enclosing a comprehensive curriculum vitae at 39-41 Parker Street, London WC2B 5LH.



**Michael Page City**

International Recruitment Consultants - London Brussels New York Paris Sydney  
A member of Addison Consultancy Group PLC

SYDNEY

**Jonathan Wren**

LONDON

HONG KONG

# WE ARE MOVING

Over the past 18 years we have expanded as the banks' requirements have changed and grown — into capital markets, leasing, investment management and financial services, commodities, stockbroking and temporary staff, while retaining our underlying speciality of recruitment for the commercial and merchant banks.

Our growth, fuelled by the excellent relationships with virtually all the banks in the City has led to the acquisition of new, larger premises at:-

**No. 1 New Street,  
LONDON EC2M 4TP.**

Our telephone number remains:-  
**01-623 1266**



**Jonathan Wren**

Recruitment Consultants

No. 1 New Street, London EC2M 4TP. Tel: 01-623 1266

## BANK MARKETING AND DEVELOPMENT MANAGER

Over three years ago Save and Prosper Group Ltd in conjunction with merchant bankers Robert Fleming and Company launched the first high interest bank account in the UK designed to appeal to customers seeking an alternative, more individual approach to banking and money management. It's an area of enormous growth potential, offering an outstanding challenge for a Marketing and Development Manager with the imagination and experience to turn market opportunities to maximum advantage.

Initially reporting to the General Manager - Banking you'll increasingly assume responsibility for the development of banking policy, the preparation and implementation of marketing sales plans as well as liaising closely with other departments in the development of new services and sales techniques.

Competitive Salary  
Plus Car  
City

IN PROMOTING OUR ORIGINALITY WE'LL PLACE GREAT DEMANDS ON YOURS.



Ideally in your late twenties or early thirties you will have a good degree and be a qualified banker. You will have at least five years' banking experience, be able to demonstrate significant achievements already in your career and have the potential to assume a full general management role in the medium term. The position requires a creative and incisive approach to marketing opportunities together with shrewd business acumen.

In addition to an excellent salary, you will enjoy a highly attractive range of non-contributory benefits including pension, BUPA, and life insurance.

Please write in the first instance enclosing a full CV to: Keith Nicholson, Personnel Department, Save and Prosper Group Ltd, Hexagon House, 28 Western Road, Romford, Essex RM1 3LB.

## A Diplomatic Challenge for a Personnel Specialist

One of the largest international banks, which offers a full complement of banking products and services to its extensive client base worldwide, is seeking to recruit a senior personnel officer for its expanding London branch, which employs nearly 100 staff. Reporting to the Head of Administration, you will be responsible for all personnel matters and procedures and have a direct input into day to day problem solving. You will enjoy a high profile and maintain close contact with the bank's senior management. Probably in your 30's, you have a

minimum of 5 years' general personnel experience, preferably gained in a financial environment. Adaptable and diplomatic, you are mature, level-headed and possess highly developed communication skills.

This challenging position offers a salary of circa £20,000 - £25,000 plus excellent banking benefits. To apply, please telephone or write, in complete confidence, to Matthew Wright of Cripps, Sears & Associates Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Telephone: 01-404 5701.

**Cripps, Sears**

### Account Officer UK Finance Houses

The AAA rated Swiss Bank Corporation is one of the largest banks in Switzerland with a major presence in international financial markets.

The City based London Office requires an account officer to expand the bank's business in the United Kingdom with financial institutions other than banks. Responsibility is for marketing, credit approval and management of the portfolio in this area of increasing importance. Candidates should have 3-5 years' experience in the field and be educated to degree standard.

Salary is negotiable plus excellent banking benefits including company car.

Full curriculum vitae to Christopher Jansen Vice President - Personnel

**Swiss Bank Corporation**  
89 Gresham Street, London EC2P 2BR.

# Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, BRISTOL, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

**Assistant Actuary Up To \$30,000 per annum, Car**  
**Part-Qualified Actuaries Up To \$16,000 per annum**  
**Trainee Actuaries Up To \$11,000 per annum**

Our Client, part of one of the world's leading and most well established corporations within the insurance business offers policies in all products. Within the U.K. there are currently 900 employees in 30 locations with assets in excess of £600 million. At the senior level the successful candidate will become a key member of the management team, making decisions that are vital to the success of the Company. At all levels day to day activities could range from fixing premium rates, or the basis of surrender values for policies, to designing new types of policy. There will be involvement with all aspects of life office work including making recommendations on strategies for product market penetration, pensions, valuations, statutory returns, and product development.

A great variety of career opportunities are available for men and women who have a keen mathematical mind, and are able to communicate clearly to non-experts. You will need a commercial outlook, and will work regularly with computers to develop models and carry out the multitude of calculations required for effective management and forecasting.

The excellent benefits package includes a subsidised mortgage and in the case of the senior position a company car is provided.

Male or female candidates should submit in confidence a comprehensive CV or telephone for a Personal History Form to M. Stein, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB, 01-734 6852, quoting Ref. 8023/FT.

## Baltic Unit Trusts £50,000 + DIRECTORSHIP AND EQUITY

Baltic Trust Managers Ltd is seeking to recruit Senior Executives in the following key areas:

- INVESTMENT MANAGEMENT**  
with UK, US and other international expertise
- INVESTMENT ADMINISTRATION**  
with unit trust expertise
- INVESTMENT MARKETING**  
ideally with unit trust expertise

Substantial salary and capital incentives will be offered to top calibre executives with experience and a successful, demonstrable, record.

Baltic Trust is part of the rapidly expanding New Baltic group, backed by one of Europe's leading insurance and financial service companies controlling assets in excess of £2,000 million. It is a City based unit trust group with advanced plans for offshore funds and other developments.

These positions are among the most challenging to be offered in the City and will provide career satisfaction and the opportunity to help create a dynamic new City institution.

Applications will be treated in strict confidence and should be addressed to:



Peter A Jeffreys, Managing Director  
Baltic Trust Managers Ltd, 20 Chiswell Street, London EC1Y 4TY.

### STERLING T. BILL/C.D. TRADERS

**SALARY: £25-£35,000**  
Prestigious UK Stockbroker is seeking to expand its activities in the Sterling money markets. Candidates should have a minimum of two years' experience trading cash money market instruments gained in an international banking environment. Considerable autonomy will be given to develop a profitable trading operation.

### FOREIGN EXCHANGE DEALER

**SALARY: £25-£35,000**  
A major international trading bank requires a Foreign Exchange Dealer with at least three years' experience trading major currencies.

### SETTLEMENTS MANAGER

**SALARY: UP TO £30,000**  
US Investment Bank intending to establish a UK Stock Exchange division requires a highly motivated individual with several years' experience.

Please contact Catherine Verr on 01-621 1942 or write to her at 18 Rood Lane, London EC3M 8AP

### BRUNEL BANKING

## EXECUTIVE JOB SEARCH

Are you earning £20,000-£100,000 p.a. and seeking a new job? Connaught's discreet and successful Executive Marketing Programme provides professional excellence in helping you to identify those unadvertised vacancies. Contact us for a free and confidential meeting to assess if we can help you. If you are currently abroad ask for our Executive Export Service.

32 Saville Row, London, W1 **Connaught** 01-794 9879 (24 hours)

The Executive Job Search Professionals

## BROWN SHIPLEY UNIT TRUST MANAGERS LTD

### UNIT TRUST SALES MANAGERS

£20,000 - £30,000 + Bonus

Brown Shipley Unit Trust Managers Ltd is a subsidiary of the well-known and highly successful Brown Shipley Group. The Company's expanding portfolio of unit trusts has consistently performed in the upper quartile over the last five years.

As part of its continuing expansion, the Company now wishes to recruit a further three Unit Trust Sales Managers — two of whom will be based in the City covering London and the South East and the third based in and covering the North of England. The Company sells its products mainly through stockbrokers and FIMBRA members.

Applications are invited from candidates aged 27-37 with a minimum of 2 years' proven experience of selling unit trusts in the intermediary market.

The remuneration package will include a competitive basic salary and a range of benefits including a company car. A performance-related bonus scheme could add substantially to total earnings and, where relocation proves necessary, all related expenses will be fully reimbursed. Career prospects are excellent.



Please apply in writing to:  
Head of Group Personnel & Administration,  
**THE BROWN SHIPLEY GROUP,**  
Founders Court, Lothbury,  
London EC2R 3HE.

## Equity Investment Manager

In the past 5 years the assets of the DRG Pension Fund have risen from £120M to £270M, with further significant growth anticipated. The Fund is successfully managed in-house by a small expert team in accordance with strategy determined by the Directors of the Trustee Company. The Fund is entrepreneurially managed and emphasises investment in small companies.

This is a new position which will have prime responsibility for the management of the equity portfolio currently worth £160M. The ideal candidate will have several years' experience in the management of institutional equity portfolios with proven performance.

Salary and benefits will reflect the specialised nature of the work. Please write with CV including details of current remuneration to:

**J D Maddocks, Staff Manager, DRG plc,**  
1 Redcliffe Street, Bristol BS99 7QY.



DRG is an equal opportunities employer.

## Treasury

International PLC  
(London)  
£29,000 + Volvo

This progressive multi-billion pound international consumer products company has grown rapidly through a series of major acquisitions. This growth has resulted in both a significant increase in the level of corporate debt and a substantial change in the pattern of cash flows. In order to manage the increased scale and complexity of its financing operations, the company is installing new treasury systems and recruiting significant numbers of additional treasury staff.

One position that requires to be filled as soon as possible is that of Assistant Treasurer (Administration),

who will have immediate responsibility for installing and implementing the new treasury system.

Ideally, candidates will be graduate qualified accountants aged 28-32 and be members of the Association of Corporate Treasurers. Experience should include at least 3 years in a treasury environment with a strong systems emphasis, involvement in international treasury operations, and up to date knowledge of leading treasury software packages.

The company is keen to provide opportunities for growth within the organisation and the Assistant

Treasurer's position will, depending on performance, offer an excellent career progression. The successful candidate will be a well-rounded professional who has demonstrated the resilience and flexibility to work in a task oriented, committed environment.

To apply please send a full CV and details of current salary in confidence and quoting reference MCS/1015 to Michael Madgwick  
Executive Selection Division  
Price Waterhouse  
Management Consultants  
No 1, London Bridge  
London SE1 9QL

Price Waterhouse



## MARKETING CONTROLLER

Attractive Package—£40,000+

City

TSB England & Wales plc has gained a commanding position in retail banking, particularly within the personal sector market. This record of success in a highly competitive and dynamic market environment has been achieved through innovative marketing of a wide range of financial services and products.

A Marketing Controller is now sought to manage and direct our established and sophisticated marketing department. Embracing the entire range of marketing operations, the position will include responsibility for the identification and development of new products and services together with essential advertising and promotional support. As a member of the senior management team, the Marketing Controller will have considerable scope in helping to shape the Bank's strategic policy in addition to determining the form and impact of its marketing thrust. It is a position that calls for a rare blend of personal qualities including the ability to envisage medium and long-term consumer demands and the personal leadership

required to drive forward the development and practical implementation of new products. The ideal candidate will be aged 37-45 years, have considerable knowledge of and experience in the financial sector and be able to combine proven creative skills and flair with a high degree of profit orientation.

The compensation package for this senior post is in excess of £40,000, comprising basic remuneration, profit sharing scheme, attractive mortgage subsidy and attendant benefits.

Applicants will be considered alongside internal candidates. For further details of this position, send in complete confidence a full CV, including details of your current remuneration to:

H. B. Nichol, Personnel Controller,  
TSB England & Wales plc,  
Administration Centre,  
100 Lower Thames Street, London EC3R 6AO  
Closing date for applications is 21st October 1986.



## Fund Management

An Opportunity to Move into the Marketing of Global Fund Management to Top-Quality Institutions

One of the world's most sophisticated capital management companies is seeking an additional professional to expand rapidly growing marketing activities. The Company is a subsidiary of one of the largest international securities houses and manages funds on behalf of a large number of clients in key markets all over the world. Its growth is founded in the quality of its service and performance, its global expertise and its superior research capabilities.

Based in the London office, you will be responsible for the identification and development of new business amongst institutional investors in the UK and Europe, as well as for maintaining and developing

business with existing clients in this area. In order to keep abreast of market development you will occasionally travel to Tokyo.

Candidates must have a business orientated degree and an in-depth understanding of Fund Management gained in either a marketing, analysis or fund management role. Knowledge of the Japanese economy is essential. This is an excellent career move with good advancement potential and an outstanding salary and benefits package.

To apply, please write with CV to  
John Sears, Cavendish Court,  
11/15 Wigmore Street, London W1H 9LB or  
telephone: 01-629 3532.

John Sears

## Eurobond Trader

Highly Negotiable Salary + Bonus

A dynamic and well regarded trading house with a developing presence in the Euromarkets is looking to expand its London based operation.

They wish to recruit experienced traders to join their growing and successful team. Active trading experience in US dollar straights or Canadian dollars would be a distinct advantage but applicants with experience of other instruments would be considered.

Compensation will be results-orientated and will not be a limiting factor for those with the relevant abilities and experience. Candidates with less than nine months' Eurobond market experience need not apply.

Interested applicants should contact Sally Poppleton or Andrew Stewart on 01-404 5751, or write to them enclosing a comprehensive curriculum vitae at 39-41 Parker Street, London WC2B 5LH.



Michael Page City

International Recruitment Consultants - London Brussels New York Paris Sydney  
A member of Addison Consultancy Group PLC

# CJA

RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH  
Tel: 01-588 3588 or 01-588 3576  
Telex No. 887374 Fax No. 01-256 8501



A high level of autonomy provides the scope to develop this profitable and growing business

MANAGING DIRECTOR - SHARE REGISTRATION

ATTRACTIVE SALARY + BONUS AND  
GENEROUS BENEFITS

LEADING AND EXPANDING PROFESSIONAL REGISTRARS - SUBSIDIARY OF MAJOR MERCHANT BANK

For this appointment, we seek candidates, aged 35-50, with a minimum of 5 years' at general management level in the control of a market orientated commercial or banking operation. This experience will have been gained in substantial organisations noted for their recent new business development record, systems and controls. An understanding of share registration, associated activities and the potential opportunities in this field will be a considerable asset. The successful candidate will be responsible to the Chairman for all aspects of the management of a large, professional team providing a computerised quality and competitive service to a growing corporate client base. Essential qualities are leadership and client liaison skills, commercial flair and the ability to spearhead a strategy aimed at increased penetration and diversification in this market place. Initial attractive salary negotiable plus performance-related bonus, car, subsidised mortgage facility, non-contributory pension, life assurance, family BUPA and assistance with relocation, if necessary. Applications in strict confidence under reference MDSR 4439/FT to the Managing Director.

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.  
TELEPHONE: 01-588 3588 OR 01-588 3576. TELEFAX: 01-256 8501

## HEAD OF POLICY UNIT

The Institute of Directors is seeking a Head for its Policy Unit to replace Graham Mather, who leaves in December 1986 to become General Director of the Institute of Economic Affairs.

The Head of the Policy Unit reports to the Director General. He or she plays a crucial role in:

- Developing the Institute's policies across a broad range of public issues.
- Communicating these policies to Government, business and the public.
- Leading the Unit and organising its work.

Candidates will have a deep interest in public affairs and a good understanding of economics at both national and enterprise level. They will be at ease on a public platform and be able to articulate their ideas clearly and simply, both orally and in writing. They will probably be between 30 and 35, although age is less important than energy, intellect and the ability to lead a team.

Those who wish to be considered are asked to write, enclosing a curriculum vitae, to:  
Sir John Hoskyns, Director General, Institute of Directors, 110 Pall Mall, London SW1Y 5ED.

IOD  
Institute of Directors

## HEAD OF FINANCIAL INFORMATION AND PLANNING

Morgan is a world leader in technologically advanced materials and components used in a wide variety of industries. The Group is seeking an experienced senior financial manager to head up the small team providing analytical support to the Board. Key responsibilities will be reviewing the performance of existing investments and identifying international growth opportunities.

Operating from the corporate headquarters at Windsor, the successful candidate will be 33 to 40 years of age, a graduate and hold a financial qualification. Experience in general management could be an advantage.

Applicants will also need to display a sound commercial acumen, interpersonal and communication skills combined with flair and proven creative ability.

A remuneration package will be provided commensurate with the seniority of this position.

Please send curriculum vitae marked confidential to:- Andrew McIntosh, Group Personnel Advisor, The Morgan Crucible Company plc, Chariot House, Victoria Street, Windsor, Berks, SL4 1EP. Tel: 0753 850331.

Morgan

## General Manager

Salary commencing  
c.£35,000 + car

The present General Manager of the Company, who is the chief executive responsible to the Board, is retiring from that post on 1st July, 1987 and applications are invited for his successor from that date, but who will be expected to work with him as designate for the preceding three months.

The Company is a statutory water supply to 4 million domestic consumers and industrial and commercial customers in north west London and south west Hertfordshire. It is based at Watford with a workforce of some 340.

It is expected that the successful candidate will be between the ages of 40 and 50 at the time of appointment. A professional qualification in a discipline appropriate to the Water Supply industry is essential. Experience in that industry will be an advantage but most important will be proven experience of successful

management at top or very senior level in a multi-disciplinary organisation with increasing involvement of new technology.

The Company has undergone major organisational change over the past three years in its continuing desire to improve its efficiency and services to the public. The person appointed to this post will be expected to head and develop the new organisation to these ends.

Public Service type pension scheme - membership obligatory. More particulars of the Company and the appointment may be obtained by telephoning Watford (STD code 0823) 23333 ext 232 or ext 201. Written applications with full Curriculum Vitae in support to include details of two referees to be sent in envelope endorsed 'Privats - Appointment of General Manager' to W A Cosgrove, LL.B., Solicitor, General Manager, to arrive not later than 24th October, 1986.

The Colne Valley Water Company

Head Office, Aldermaston Road, Watford, Hertfordshire WD2 2ST

## INTERNATIONAL BANKING

Our current portfolio contains a number of career opportunities within the field of MARKETING and CREDIT ANALYSIS, covering a wide range in terms of specific function, level of seniority, nature of bank, etc.

**CORPORATE MARKETING £15,000-£25,000**  
The recurring requirement is for bankers (25/35) who have progressed through a decent credit training and can already demonstrate successful experience of marketing a range of "products" to U.K./European companies.

Also in demand are people with exposure to more specialist areas, e.g. Financial Institutions, Property, Transportation, Latin America.

**CREDIT ANALYSIS £14,000-£20,000**

On behalf of several merchant/international banks, we seek young analysts with a good degree followed by sound, practical, credit training and experience. Some appointments could well lead on to marketing whereas others will be of appeal to those whose interests and aptitudes lie in credit management.

Tel: John Chiverton, Ann Castello or Mark Curcher

JOHN CHIVERTON ASSOCIATES LTD.

36 Cannon Street  
London EC4A 3DF  
01-625 5861

## Excellent Career Move in Eurobond Settlements

MINIMUM OF 3 YEARS' EXPERIENCE  
Our client, a successful and dynamic Japanese Securities House, are seeking to appoint a person with managerial qualities to lead an expanding Eurobond Settlements section. Applications are invited from motivated and able candidates, aged 25-30, with wide experience in all aspects of Eurobond Settlements.

A highly competitive salary and benefits package is offered. Please write in confidence to:

David Bennett,  
MARLBOROUGH EMPLOYMENT CONSULTANCY, 35/36 Great Marlborough Street, London W1V 1RA, or telephone: 01-434 4038

## ORBITAL FINANCIAL SERVICES PLC

As a rapidly expanding Public Limited Company, we are currently looking to recruit

SUCCESSFUL NEW BUSINESS EXECUTIVES

Candidates should be experienced in the Corporate Lease and Hire Purchase Sector, possibly having been instrumental in arranging "Sales-Aid" vendor programmes.

An excellent career path is guaranteed for the right candidate including future equity participation. A substantial initial salary is offered: bonus and BUPA are also included in the remuneration package.

For an application form, please telephone 04427 73434, or send your CV to: THE MANAGING DIRECTOR, ORBITAL FINANCIAL SERVICES PLC, ORBITAL HOUSE, 111 HIGH ST., BERNHAMSTED, HERTS HP4 2DB

## CAREER OPPORTUNITY

Assistant required by busy director. Must have good head for business, be numerate and have experience of investment and property matters. Probably aged around 30. Good starting salary, excellent prospects. Based Central London.

Write Box A0279

Financial Times  
10 Cannon Street  
London EC4P 4BT

## INTERNATIONAL MANAGEMENT CONSULTANTS

require Senior Executives for short and long-term assignments in turn-around and strategic planning situations. This American consultancy company requires aggressive, energetic executives with a broad business background, preferably in an industrial marketing capacity.

Write Box A0290, Financial Times  
10 Cannon Street, London EC4P 4BT

## FOREX APPOINTMENTS

For Forex, Capital Markets and Treasury appointments consult a specialist agency

TERENCE STEPHENSON  
Prince Rupert House  
9-10 College Hill, London EC4R 1AS  
Tel: 01-348 0253




# Equity Sales

**£20,000 - £100,000 Plus**

Our established expertise in City recruitment has given us close contacts with the institutional departments in many of the City's most important securities houses.

Big Bang notwithstanding, demand for those with a successful track record in institutional equity sales is very strong indeed at all levels of seniority. This means we are able to match candidates' and clients' objectives to achieve the best possible results.

If you wish to discuss a significant career move or would simply like to be kept informed of market developments, please contact Anna Robson or Sally Poppleton at the Securities and Investment Division, 39-41 Parker Street, London WC2B 5LH, or telephone 01-404 5751. Strictest confidentiality assured.



**Michael Page City**  
International Recruitment Consultants  
London Brussels New York Paris Sydney  
A member of Addison Consultancy Group PLC

# NMB BANK

## Credit Analyst

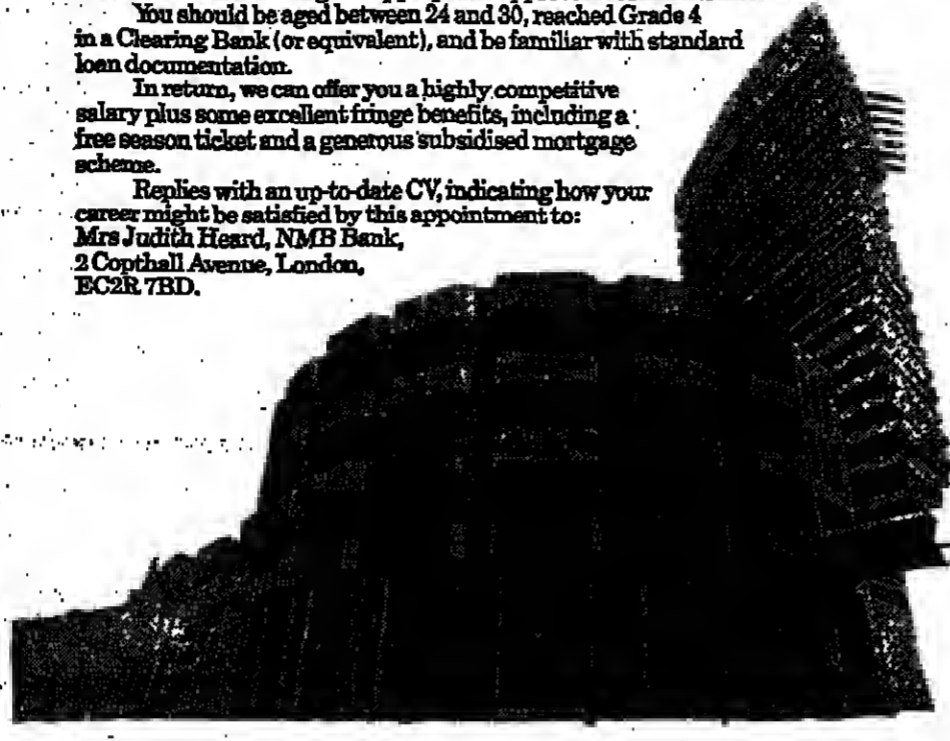
London

The continuing expansion of NMB's established London Branch means that we are looking for a Credit Analyst, with a keen sense of humour, to join our existing team to work on all our lending propositions which would include spreading balance sheets, P&L Accounts, full written analysis of financial information and making the appropriate approval recommendations.

You should be aged between 24 and 30, reached Grade 4 in a Clearing Bank (or equivalent), and be familiar with standard loan documentation.

In return, we can offer you a highly competitive salary plus some excellent fringe benefits, including a free season ticket and a generous subsidised mortgage scheme.

Replies with an up-to-date CV, indicating how your career might be affected by this appointment to:  
Mrs Judith Heard, NMB Bank,  
2 Copthall Avenue, London,  
EC2R 7BD.



# Credit Executives

NM Rothschild & Sons Limited, Merchants & Bankers, are experiencing an increase in their lending activity. The Credit Department is organised into three teams headed by a Director or Assistant Director and a requirement has now arisen for additional executives.

The successful applicants will be appointed to Assistant Manager positions reporting directly to a Team Leader. The duties will include the analysis, negotiation and structuring of a wide variety of corporate credits, both on a direct and syndicated basis.

Candidates are likely to have had experience in a lending environment in a clearing, commercial or merchant bank, or in the Treasury department of a large company, and will be familiar with the latest methods of raising finance in the capital and credit markets. They should preferably possess a banking or accountancy professional qualification. The expected age range is 25-28.

An attractive remuneration package will be offered which includes a profit sharing scheme.

Please forward your full curriculum vitae to:  
Personnel Director  
N.M. Rothschild & Sons Limited  
New Court  
St Swithun's Lane  
London EC4P 4DU.



**N.M. Rothschild & Sons Limited**

### FINANCIAL ANALYST

REQUIRED BY  
Australian Stockbroker

A 25-30 year old person with professional experience in accounting and/or banking/stockbroking in Australia or a reputable Australian stockbroker. Remuneration is negotiable.

Ideally, your professional experience should have included time in the UK and Australia, as the position requires both technical soundness and practical experience in accounting and company law in both countries. Additionally, formal qualifications such as a Bachelor's degree in Economics or an ACA would be considered a plus for this position. The position involves working alongside the company's senior director and the person will be expected to be able to contribute creative analytical work.

Please forward your CV and accompanying letter to:  
Box A0274, Financial Times  
10 Cannon St, London EC4P 4BY

REDUNDANT SALES MANAGERS and EXECUTIVES contact Michael Green on 01-623 6464.

# Fund Management

Develop your career in  
**Multi-Currency Asset/Eurobond fund management**  
in a high growth international banking environment

This position will appeal to candidates who have gained a minimum of three years' experience in Eurobond fund management and are now ready to take responsibility for the independent management of a number of multi-currency/Eurobond portfolios as a member of the Company's investment management team.

The size and quality of the Company together with the rapid growth record of its funds under management and client list provide the ideal environment in which to increase your expertise and level of responsibility.

You are likely to be aged 23-30, educated in a business discipline and will possess a high level of analytical ability and communication skill.

An attractive compensation package is offered.

To apply please write in complete confidence to the Company's adviser on this appointment: **John Sears, Cavendish Court, 11/15 Wigmore Street, London W1H 9LH, or telephone 01-629 3532.**



**John Sears**


# Market the Management of Assets

Asset management is an area of continuing growth. Domestic and international finance houses are expanding their funds under management. This has, in turn, led to a demand for experienced financial services marketing professionals to ease the marketing load on fund managers.

Knowledge of the international markets, both equity and bond related, and a track record in talking to substantial corporate and governmental clients, are pre-requisites for positions we are handling for our clients. Also of use will be foreign languages and experience of particular geographical areas.

Remuneration for the right people is substantial and attractive, with packages comprising performance related bonuses, mortgage subsidies, pension and health schemes and company cars.

If you are interested in pursuing your career in this exciting area, please contact **Timothy R. Wilkes** or **Nick Root** at the Securities Division, Michael Page City, 39-41 Parker Street, London WC2B 5LH or telephone 01-404 5751.



**Michael Page City**  
International Recruitment Consultants - London Brussels New York Paris Sydney  
A member of Addison Consultancy Group PLC

**Appointments Wanted**

### PRESS AND PUBLIC RELATIONS OFFICER

Professionally highly respected and extremely capable press and public relations officer with seven years' experience with international luxury London based hotel group seeks London appointment. With immense organisational ability previous experience includes eight years with the Corporation of London.

Write Box A0283, Financial Times, 10 Cannon Street, London EC4P 4BY.

# A fresh start for successful business people


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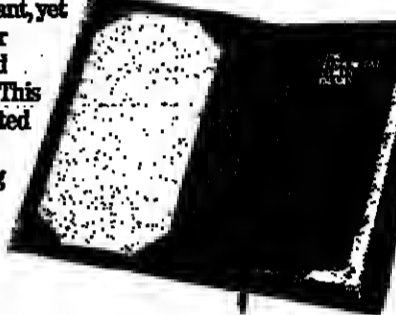
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SECTION II - COMPANIES AND MARKETS  
FINANCIAL TIMES

Wednesday September 24 1986

Oil and Gas



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Ryan Homes  
faces \$292m  
bid offer

BY ANATOLE KALETSKY IN NEW YORK

N. V. HOMES, a small housebuilding company operating in the Washington DC area yesterday launched a takeover bid worth \$292m for Ryan Homes, a much larger US housebuilding concern.  
Although Ryan refused to comment on the \$45 a share offer, the stockmarket interpreted NV's move as only an opening shot in a potential bidding contest and marked up Ryan's shares from \$45 to \$50 1/4 in heavy trading.  
NV's shares, which are quoted on the American Stock Exchange, also jumped by \$2 1/2 to \$18. However, NV's offer was hedged about with several conditions which cast some doubt on its bid.  
NV is a much smaller company than Ryan. In 1985 it sold only 785

General Electric  
launches  
new unit

By David Thomas in London

GENERAL ELECTRIC of the US has created a new information and communications unit which, on last year's figures, would have had sales of \$1.5bn.  
The unit arises from the merging of several GE divisions with divisions of RCA, which GE took over earlier this year. It will offer both information services and access to physical networks, such as satellite links.  
The main companies in the new unit will be Geisec, GE's information services subsidiary, which claims to operate the world's largest commercial network, and RCA American and Globecom which operate satellite-based services respectively in the US and the rest of the world.  
Mr Anthony Craig, new president of Geisec, said yesterday that the combination of Geisec's private networking activities in 35 countries and Globecom's agreement with most telephone authorities would leave the new business better placed to compete in the US, Japan and the UK.  
Geisec's UK subsidiary yesterday announced the extension of its Motornet network for the electronic interchange of business information in the motor industry outside the UK.  
In future, members of Motornet, which is run under the sponsorship of the Society of Motor Manufacturers and Traders, the UK trade association for the motor industry, will be able to communicate electronically with motor companies in Europe, and ultimately in the US and Japan too.  
Geisec said that the Motornet network allowed motor companies to order components much more efficiently.

Aluisse forecasts gradual recovery

BY JOHN WICKS IN ZURICH

ALUISSSE group would take about three years to "work its way out of the present crisis," according to Dr Hans Jucker, chief executive officer of the parent company, Swiss Aluminium.  
Dr Jucker said Aluisse expected a return to operational profits next year. But he warned that no "structural" and "financial" turnaround was imminent and that it would take until 1989 to return to net profits.  
Last year the group lost Sfr 602.5m (\$422.6m). It expects a substantial, though smaller, deficit in 1986. Extraordinary depreciation, which amounted to Sfr 321m in

1985, will be required again this year.  
Debts would be reduced by about Sfr 1bn in the coming months, bringing net debt servicing down to about Sfr 200m to Sfr 230m a year.  
Dr Jucker attributed the continuing difficulties to the fact that "the aluminium price is in the basement and there are no signs of an upturn." Aluisse was also suffering from the weakness of the dollar and other currencies.  
The group recently announced plans to sell off the Chicago car parts subsidiary Maremont and the US aluminium company Ormet. It also plans to close down half the

smelting capacity at the Chippis works in Switzerland.  
Mr Hermann Haerri, member of the executive committee, said negotiations for the sale of the 90-per cent stake in the Italian company Sava Alluminio Veneto should be completed before the end of the year.  
Elsewhere, the last production unit at the Consolidated Aluminium plant in New Johnsonville, Tennessee, is to close at the end of this year, while a pressing plant at Madison, Illinois, is to be divested.  
Dr Jucker said Aluisse would no longer be among the world's leading producers of primary alu-

minium. The group would concentrate on more sophisticated operations, whereby "problem solving and customer-oriented production" would gradually replace standard items.  
Executive-committee member Dr Theodor Tschopp said that as from the beginning of next year, Aluisse would produce primary aluminium only in Europe, with an installed annual capacity of about 410,000 tonnes. This is to be reduced by about 30 per cent in the next three years.  
Dr Jucker said Aluisse would continue with new investments, particularly in chemicals and "at-

tractive market segments of the aluminium sector."  
These included capacity expansions for composites in Germany, aluminium castings to Switzerland and "Foam" foam panels in Switzerland and the US. New plants were being built for metal cans in France, ceramic filters in Switzerland and "Sintres" foam in Switzerland.  
Although work was in progress to expand American output of such items as special chemicals and composites, Dr Jucker said that Aluisse had now given up its earlier goal of reaching a 50 per cent US share of group turnover.

BCI lifts earnings  
42% in first half

BY ALAN FRIEDMAN IN MILAN

NET PROFITS rose 42 per cent in the first six months of the year at Banca Commerciale Italiana (BCI) to L44.7bn (\$46.8m), the bank announced yesterday.  
The bank, which is controlled by the IRI state holding group, made a L101.3bn net profit for the whole of last year.  
The gross operating profit in the first half of 1986 was 43 per cent higher at L402.8bn. This level, the bank explained, was reached despite lower interest rates on loans, as a result of an increase in funds under management and a reduction in operating costs.  
BCI said it set aside L336.1bn to provisions and transfers to reserves during the first half of this year 43 per cent more than in the equivalent period of 1985.  
BCI also announced plans to open new representative offices in Amsterdam and Shanghai. The bank at present has 19 such offices and has announced plans to open three more in Lisbon, Munich and Bombay. In Italy the network consists of 417 branches and 12 overseas branches. The BCI workforce includes 18,865 people in Italy and 618 abroad.  
BCI sells US unit, Page 22

Western Pacific  
receives  
rival bid

By Our Financial Staff

A RIVAL bid emerged yesterday for Western Pacific Industries, the US producers of coupling devices and fasteners which last week signed a letter of intent to go private to a deal valued at about \$360m.  
That deal, with Gibbons, Green, von Amerongen, involved an offer of \$155 a share for Western Pacific's stock. However, yesterday Western said that Danaher Corporation, a West Palm Beach, Florida group, had advised that it was prepared to acquire the company for not less than \$165 per share in cash.  
Danaher has requested a meeting with Western's management and an opportunity to review non-public and other information relating to the company. Western Pacific said its management would evaluate the proposal. The company's shares were trading at around \$162 before the rival bid emerged.  
Cummins Engine, the major US diesel engine producer, is offering an early retirement incentive programme for most of its 13,500 US employees. It said 2,300 would be eligible.  
Costs for the programme would be recorded in the third quarter.  
First Chicago, the big US bank holding company, said 350 employees would be eliminated company-wide by year-end from streamlining many banking areas.  
The bank said the corporate workforce would be 13,950 at year-end, down from 14,300 at January 1 of this year. The cuts, which have already begun, result from a reorganisation of the company begun earlier this year.  
Tenneco, the US farm equipment group, has started a \$15.5m tender offer for all 4.4m shares of Steiger Tractor, the struggling manufacturer of large four-wheel-drive tractors.  
Tenneco said the Steiger board had unanimously approved the \$2.50 per share offer, which is subject to receipt of at least 2,919,719 shares, or 67.7 per cent of Steiger stock, and to approval by Steiger shareholders. Steiger filed for protection under Chapter 11 of the US Bankruptcy Code earlier this year.

S-E Banken profits up 98%

BY SARA WEBB IN STOCKHOLM

SKANDINAVISKA Enskilda Banken, the leading Swedish bank, increased its operating profits for the first eight months of the year by 98 per cent, boosted by falling interest rates.  
The bank is forecasting better results for the whole year, after a couple of years of stagnating profits.  
Operating profits totalled SKr 2,742bn (\$397m), a sharp increase of SKr 1,368bn on the corresponding period last year.  
Net interest earnings increased 40 per cent to SKr 2,539bn, despite a fall of 7 per cent in volume, while commission and other earnings rose 38 per cent to SKr 3,127bn.  
Göteborgsbanken, the fourth largest Swedish commercial bank, reported a strong increase in operating profit for the first eight months of this year, a tribute to falling interest rates and increasing volume of out-

BHF raises earnings by 28%

BY JONATHAN CARR IN FRANKFURT

BERLINER Handels- und Frankfurter Bank (BHF-Bank), the West German merchant and commercial bank, raised partial operating profit by 28 per cent to DM 11.8m (\$57m) in the first eight months of this year.  
Full operating profit, which includes the results of own-account trading, increased still more strongly - but the bank declined to say by how much.  
The results are the latest evidence that the German banks are heading for a year of record earnings and that many of them may again increase their dividends.  
BHF-Bank raised its payout for last year to 24 per cent from 21 per cent a year earlier.  
Mr Klaus Subjetzki, one of the managing partners, said interest profits were up in the first eight months by 8 per cent thanks not least to an interest margin slightly above last year's level and an increase in business volume.  
Mr Subjetzki noted that commission earnings had soared by 30 per cent thanks to buoyant securities and issuing business. As a result these earnings had risen to a level possible for us to increase the difference between our lending and borrowing rates by 0.5 per cent" said acting managing director Mr Ulf Lignel.  
The bank already has securities offshoots in Switzerland, New York, Singapore and London and is negotiating to set up in Japan too. At end-August it had total assets of DM 13bn and about 2,300 employees.

Poclair suffers  
net deficit of  
FFr 100.2m

By David Marsh in Paris

POCLAIR, the loss-making French hydraulic excavator group, suffered an increased group net deficit of FFr 100.2m (\$15m) in the first half of 1986 compared with FFr 39.6m in the first half last year.  
The worsening losses were caused by falling margins in the US and Britain resulting from the drop in the dollar and sterling, as well as a large cut in sales to the Middle East and Africa.  
Poclair said technical difficulties surrounding the industrialisation of its new 61 excavator boosted stocks and financial expenses in the first half.  
Poclair net sales in the first half rose to FFr 1,580m from FFr 1,550m. The figures include the losses of its 80 per cent crane subsidiary PPM, which Poclair said continued to face a very depressed international market.  
The new 61 excavator, a 12.5 tonne model which cost between FFr 60m and FFr 70m to develop, has been delivered to the tune of more than 500 machines. Poclair said its investigation during the summer confirmed the confidence which users have in the excavator.

Pharmacia in US sales deal

BY SARA WEBB IN STOCKHOLM

PHARMACIA, the Swedish pharmaceutical and biotechnology group, and Electro-Neurotonics, the US biomedical company, have signed a contract which gives Pharmacia a stake in the US group, which in turn will have exclusive US distribution rights to certain Pharmacia products.  
Under the contract, Pharmacia acquired 6.1 per cent of Electro's shares, but later increased its stake to 16 per cent by buying on the open market. Pharmacia is negotiating for a larger stake in Electro.  
Electro has bought exclusive US

distribution rights to Pharmacia's allergy and diagnostic lines, paying \$2m in part exchange for the 6.1 per cent shareholding. Electro said it would make \$10m to \$12m in the current tax year in revenue from Pharmacia products.  
Electro sells diagnostic tests for infectious diseases and clinical chemistry systems to hospitals, clinics and blood banks in the US. The two companies plan to begin joint research for new immunodiagnostic products.  
"Pharmacia's perceived weakness was in the instrumentation or equipment field, which is what Electro specialises in," said a spokesman for Pharmacia.  
The deal is intended to broaden Pharmacia's marketing base in the US, and its present sales staff will join forces with Electro's sales teams.  
Pharmacia's sales totalled SKr 3.4bn (\$498m) last year, of which about 38 per cent, or SKr 1.2bn, were in the US, their biggest market. Sales for the diagnostics divisions were SKr 705m in 1985.

Thomson director to head Valeo

BY PAUL BETTS IN PARIS

MR NOEL GOUTARD, managing director of Thomson, the French nationalised electronics and defence group, will become the new chairman of Valeo, the leading French car components group now under the management control of Mr Carlo de Benedetti.  
Mr Goutard, who up to now has been number two in the Thomson hierarchy behind Mr Alain Gomez, the Thomson chairman, will take over at the head of Valeo from the beginning of next year when Mr Andre Boisson, the current Valeo chairman, retires.  
Mr de Benedetti acquired almost 20 per cent of Valeo earlier this year in a controversial transaction at one stage opposed by the two large French car groups, Renault and Peugeot, and blocked temporarily by the French Government.  
The acquisition of the Valeo stake and management control of the car components group is part of a major effort by the Olivetti chairman to step up his presence on the French market. Mr de Benedetti is also actively looking for other acquisition opportunities on the French market, especially in the

food sector.  
Mr de Benedetti had indicated that a leading French manager would be selected as his candidate to head Valeo which the Italian entrepreneur wants to develop as the focal point of a major new European car components group to compete with Bosch of West Germany.  
Mr Goutard became Thomson's managing director in 1983 after the nationalisation of the defence and electronics group. He had previously been assistant managing director of the Chargeurs transport group

Compact disc software launched

LOTUS Development, the Massachusetts software group, is to start selling financial information on compact discs, making it the first major software company to enter the emerging market, AP-DJ reports.

Compact discs are mostly used for playing music. But recently, they have attracted attention as devices for storing computer information.  
Lotus, the biggest independent software concern, said its new one source product would include as many as eight data bases of information about stocks and bonds. It said users would be able to recall 20 years of price information about stocks and will have access to other services.  
Depending on the number of data bases a user wants, Lotus said, it will charge from \$11,900 to \$27,000 a year. It plans to mail updated discs to subscribers weekly.  
Mr Larry V. Moore, president of Lotus's information services division, said Lotus expected to sell the service to banks, money management companies, investment houses and large corporations.

L'Air Liquide buys  
Preussag gas unit

L'AIR LIQUIDE, the French industrial gases group, said it had acquired the carbon dioxide gases interests of West Germany's Preussag group for an unspecified amount.  
L'Air Liquide said the acquisition had been approved by the West German authorities and mainly covered Argelia, West Germany's second largest supplier of carbon dioxide gases, with an annual turnover of about DM 50m (\$24.6m).

The Canadian metals producer Inco plans to spend \$40m in the next two years at its Sudbury, Ontario operations to electrify Crean Hill partly to mechanise its copper refinery tankhouse, Beuter reports.  
The company said \$25m would go towards reactivation of Crean Hill as an all-electric underground operation, to improve productivity, safety and costs.

Dominion Textile seeks US acquisition

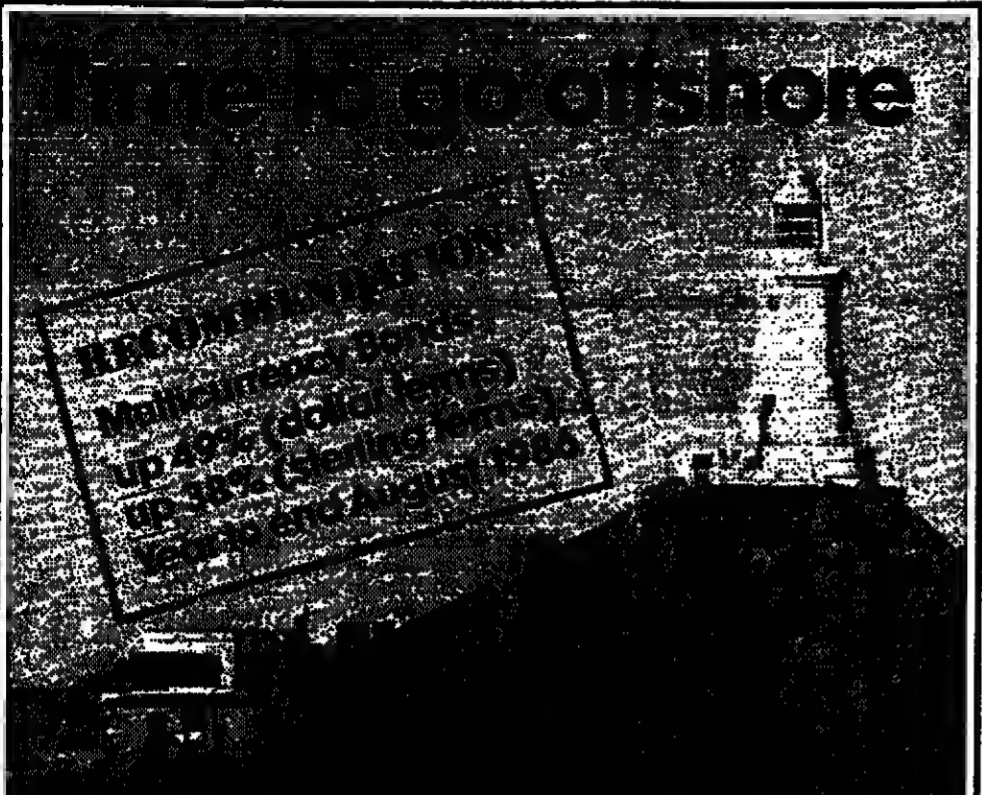
BY ROBERT GIBBENS IN MONTREAL

DOMINION Textile, Canada's largest textile group, is again looking for an acquisition in the US following its failure earlier this year to win Avondale Mills, an Alabama maker of denim and yarn, with a US\$104m cash bid. The company now has US\$150m available for acquisitions.  
Mr Thomas Bell, the president, said the denim market was strong everywhere, and the Avondale deal was designed to strengthen Dominion's international position in that field. But Dominion must expand further in the US and Europe because of saturation in the Canadian market.  
Domestic operations have stabilised after another round of ration-

isation to meet increased garment imports from Asian countries.  
For the year ended June 30, Dominion had operating net profit of C\$11.1m (US\$8m) or 35 cents a share on sales of C\$292m. Results in the first quarter of fiscal 1987 will be positive, against a loss a year earlier, and for all fiscal 1987 profit should be higher than fiscal 1986.  
Casadeas, fast-growing paper products group which owns two packaging plants in France, is making a C\$246m offer for 55 per cent of Donohue, Quebec city-based newspaper, market pulp and lumber producer. The offer is equal to almost C\$30 a share.  
The 55 per cent interest is held by an industrial holding company owned by the Quebec Government and it is being put on the block as part of Quebec's privatisation policy. The offer is not being extended to minority shareholders of Donohue, one of the most profitable forest products groups in Eastern Canada.  
Earlier, the Government turned down C\$200m on offer for the Donohue control block. Analysts believe other offers may be forthcoming.  
Provigo, the major Montreal-based groceries and food retailing group, lifted operating net earnings in the second quarter ended August 9 from C\$16.2m or 40 cents a share to C\$17.5m or 41 cents, taking the six-month total to C\$27.3m or 68

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Hammermill Paper rises in quarter

By Our Financial Staff

HAMMERMILL Paper, the largest US producer of fine writing paper which has agreed to merge with International Paper, achieved a jump in third-quarter operating earnings to \$15.4m, or 88 cents a share, from \$5.6m or 32 cents. This took the nine-month total to \$48.9m or \$2.77, compared with \$24.4m or \$1.53 a year earlier.

The latest three-month profit included a gain of \$3.6m from the sale of Manning Paper division and settlement of an insurance claim. But it was struck before a \$21.3m charge related to defending an unsolicited tender offer and negotiating the merger agreement with International Paper. This left the group showing final loss of \$5.9m.

Sales for the quarter reached \$442.1m, up from \$417m, taking the total so far this year to \$1.36bn against \$1.28bn last time.

BCI pulls out of US retail banking

BY WILLIAM HALL IN NEW YORK

BANCA Commerciale Italiana (BCI), the second biggest bank in Italy, is pulling out of the US retail banking market and selling its North American Bancorp for \$300m to the 202-year-old Bank of New York.

BCI entered the US retail banking market slightly more than four years ago when it paid \$115m for Lloyds Bancorporation of New York. Lloyds was renamed North American Bancorporation. It is the parent of Long Island Trust, based in Garden City, New York, which has a network of 43 branches in Nassau and Suffolk counties, two New York City suburbs on neighbouring Long Island. Although the assets of North

American Bancorporation have risen from about \$1bn to \$1.7bn since BCI acquired the retail bank, it has not been particularly profitable. Last year it earned \$7.1m, slightly less than in 1984. The group's return on assets totalled 0.48 per cent and its return on equity was 7 per cent last year.

BCI gave no explanation yesterday for its decision to pull out of the US retail banking market. However, the move appears to reflect a growing disenchantment among major foreign banks with the profitability of retail banking.

Lloyds Bank, for example, recently sold its Californian retail banking operation to a Japanese bank.

Several other foreign banks are known to be concerned that their relatively small US retail banking operations cannot generate adequate returns in the face of fierce competition from major New York competitors like Citibank.

BCI will continue to operate branches in New York, Chicago and Los Angeles and a representative office in Washington.

Despite the lacklustre performance of its US retail banking operation, BCI appears to have made a handsome profit on the sale, which is at nearly three times its book value of \$106m. This is higher than most recent acquisitions.

The acquisition will make the Bank of New York one of the largest banks on Long Island, regarded as one of the faster growing banking markets in the New York area. If the deal is approved by the Federal Reserve, Bank of New York will have the third largest branch network in Nassau and Suffolk counties and will make it the largest suburban bank in the metropolitan New York area with 178 branches.

Mr J. Carter Bocat, chief executive of Bank of New York, said the acquisition reflected the bank's strategy of focusing its brand banking activities on the suburban areas of New York City.

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September 24, 1986, London  
By: Citibank, N.A. (CSSI Dept.), Agent Bank **CITIBANK**

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# INTERNATIONAL COMPANIES and FINANCE

## BHP chief forecasts lower earnings

**BROKEN HILL** Proprietary would find it hard to equal its record 1985-86 net profits of A\$888.2m (US\$425.4m) in the current year ending May 31, Mr James Balderstone, the chairman, said, reports Reuter from Melbourne.

First-quarter net earnings fell to A\$176.7m from A\$298.7m a year earlier, largely because of a sharp fall in oil earnings. However, the group looked forward to better results in subsequent quarters.

"It is unreasonable to expect the company will repeat the growth of last year," Mr Balderstone said. "Rather, we see a pause in the pattern of growth achieved since 1983. But we believe it will be a pause only."

In the longer term, BHP looked to the fruition of its re-investment in steel, the start of North West Shelf liquefied natural gas production, increased oil output from the Timor Sea and extensions at the Mt Newman iron ore and Goolery coal operations.

The reasons behind the forecast of a pause in profit growth include weak commodity prices and a slowing of economic growth in Japan, BHP's largest customer.

Mr Balderstone said Bass Strait oil sales were now over 400,000 barrels per day, following the Government's crude oil export cuts, after falling to 222,000 b/d in June-July from 455,000 in 1985-86.

## Indonesians face interest rate rise after devaluation

BY JOHN MURRAY BROWN IN JAKARTA

**BANKS IN** Indonesia are likely to raise interest rates to cover a forecast increase in private sector provisions for bad debt following the recent 45 per cent devaluation of the rupiah.

Twelve-month deposits currently earn between 14 and 17 per cent, while prime rates are as high as 24 per cent.

Particularly vulnerable to the devaluation are foreign joint ventures and large domestic industrial groups, like car manufacturers, which are capital intensive and rely heavily on imported raw materials and parts.

Such companies have tended to use offshore loans as a source of working capital, a practice which one Western banker described as "a form of

arbitrage." The high gearing, the ratio between debt and equity, has been a feature of Indonesia's private sector.

Last week's devaluation will result in sharp increases in debt-servicing costs and also in principal amounts. Private sector debt currently stands at \$7.4bn, according to figures from the Bank for International Settlements (BIS), while total foreign debt, public and private, is at \$29.3bn. Private sector interest repayments in 1985 were \$276m.

The Central Bank recently delivered another blow to the private sector, when announcing that exchange losses incurred at the last devaluation in 1983, until now treated as "paper losses," had to be amortised this year. Corporate profits are

also expected to be hit by wage increases.

Mr Sudhomo, the Manpower Minister, yesterday called on employers to match wages to price increases. Bankers are expecting double figure inflation up from the present 3 per cent.

The decision to devalue aimed to reduce a huge public deficit on the current account set to reach \$6bn by the year-end, according to usually conservative official estimates. This resulted from sharp falls in the price of oil, which historically accounts for 70 per cent of Indonesia's official export earnings and 60 per cent of state budget revenues. The devaluation is also expected to give a boost to non-oil exports, such as palm oil, rubber, plywood and tin.

## Burns, Philp sees boost from US acquisitions

**BURNS, PHILP**, the Australian food and trading group, expects to boost sales and profits in its current business year after including recently acquired North American subsidiaries in its results, Mr Andrew Turnbull, chief executive, said yesterday, reports Reuter from Sydney.

The group earlier reported a rise in equity-accounted net profits to A\$44.15m (US\$25m) in the year ended June 30, from A\$34.46m in 1985-86.

"Expansion overseas is providing the desired result and very profitable growth," Mr Turnbull said. "Our Australian operations are improving with the effects of rationalisation."

Mr Turnbull said the Fleischmann yeast and vinegar brands, acquired in July from KFB Nablato, are expected to add about A\$120m to group sales in 1986-87.

Results had been very satisfactory since the acquisition and Burns, Philp should increase its yeast and vinegar market share in North America, he said.

Reviewing 1985-86, Mr Turnbull said over 50 per cent of net profits came from foreign operations, particularly in the US and the UK, and this percentage would increase in 1986-87.

The food, hardware and shipping operations significantly improved.

Turning to its traditional Pacific Island trading business, Mr Turnbull said Burns, Philp (PNG) recorded another increased profit after losses in two years.

Tonga, Samoa and Niue made record profits but Fiji showed a poor performance. The company planned to introduce management systems applied in Papua New Guinea to other major Pacific operations.

The fall in group sales to A\$1.16bn from A\$1.3bn reflected the sale of two subsidiaries, he said.

Per share earnings rose to 61.9 cents from 51.2 cents. A maintained final dividend of 10 cents made the payout for the year 20 cents, against 19 cents last time.

The net was after tax of A\$11m against A\$6.6m, net interest of A\$18m compared with A\$19m, depreciation of A\$12.3m against A\$12.5m and minorities of A\$4.5m.

## Elders Resources out of red

BY OUR FINANCIAL STAFF

**ELDERS RESOURCES** of Australia has climbed out of the red for the year to June and says further progress will be made during the current 12 months.

The company, which is 48 per cent owned by Elders IXL, the brewing and industrial group, has made a net profit of A\$4m (US\$2.9m), against a loss a year ago of A\$915,000.

It plans a one-for-five scrip issue.

Despite the return to profits, Elders Resources says it will again not pay a dividend. The company wants to concentrate cash resources on rebuilding its assets base.

Elders Resources said reasons for predicting a profit increase in the current year include

attainment of full production of 60,000 ounces of gold a year from its Red Dome project in Queensland.

It also expects full-year profits from its resource finance division with the expansion of activities into North America and further growth of activity in the marketing division, particularly in oil, minerals and chemicals.

## Riyad Bank suffers 40% decline in first quarter

BY FINN BARRE IN RIYADH

**RIYAD BANK**, Saudi Arabia's second-largest bank, has reported a decline of 40.1 per cent in profits for the first quarter of its financial year, which began in March of 1986, according to unaudited results.

The bank reported a profit of SR43.5m (\$12.5m) for its first quarter, down from SR81.5m a year earlier. The bank reported a profit of SR189.4m during the year to March 10, 1986.

Assets in the first quarter went down from SR33.52bn to SR31.01bn. Letters of credit, guarantees, and other obligations dropped from SR31.05bn to SR27.36bn. Loans and advances declined slightly from SR10.96bn to SR10.64bn, and

deposits dropped from SR27.21bn on March 10, to SR25.19bn.

A United Saudi Commercial Bank reports an improvement in its business, although losses continued for the first six months of 1986. The bank, in its unaudited balance sheet, said losses declined by 55.3 per cent to SR 5.87m (\$1.56m) from SR 13.06m.

Much of the improvement was due to cost containment efforts, according to Mr Neville Green, USCB's new general manager. Operating expenses dropped 11.5 per cent to SR 55.86m. At the same time, net operating income rose 14.9 per cent to SR 69m.

## Kansai Paint enters the Indian market

BY R. C. MURPHY IN BOMBAY

**COOKSON** of the UK has sold 26 per cent of its equity stake in Goodlass Nerolac Paints, India's second largest paint company, to Kansai Paint, marking Japan's entry into the Indian paint industry. The sale by Cookson, which holds 89.5 per cent of Goodlass, is part of a worldwide strategy of the

British company to vacate the area.


Kansai has acquired 842,000 equity shares of Rs 10 each at Rs 45 per share. Kansai has been interested to increase its involvement in India since several Japanese motor manufacturers entered into collaboration deals with Indian

companies to build vehicles locally.

Sales of Goodlass Nerolac rose 20 per cent to Rs 695.23m (\$84.6m) in the year to June 1985 and made a net profit of Rs 9.71m. The company paid a dividend of 20 per cent for that year.

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By: Swiss Bank Corporation International Ltd.

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

Clive Wolman looks at a transatlantic accord on malpractice in the financial markets UK and US sign agreement on fraud

A MEMORANDUM of Understanding which provides for the confidential exchange of information between regulatory authorities to assist their investigations of fraud and malpractice in financial markets has been signed by the UK and US.

The information supplied can return to the requested authority to be used to enforce or secure other documents and copies compliance with investment whose contents have not been disclosed through investigation and any other matters.



Mr Paul Channon, Secretary of State for Trade and Industry (left) and Mr John Shad, chairman of the Securities and Exchange Commission

The purpose of the agreement is to allow authorities in one country to pass on to the other country's authorities information which it already has or which it can by its best efforts obtain. The information must be needed to secure compliance with the regulations of the other country.

In addition, an authority may pursue enquiries in the other country provided it does so with moderation and restraint and after consulting with the host authority.

A consultation process designed to improve the operation of the Memorandum will be triggered if one authority refuses to comply with a request for information from the other.

Authorities will normally keep confidential any requests for information made under the Memorandum and any other consultation to the extent permitted by law.

Small rise in dollar bonds on news of US inflation

BY ALEXANDER NICOLL

CAUTION CONTINUED to be the watchword yesterday, as the Eurobond market first waited for the US consumer price index figure and then observed New York's reaction to it.

Although small buying interest was sparked by the lower than expected 0.2 per cent rise in the index in August, and by a fall in US durable goods orders, demand remained very muted.

The D-Mark market was up 1/4 point in the afternoon on the back of New York's gains. In Switzerland, Echo Bay Mines of Canada made a novel SFR 75m 10-year issue carrying five-year warrants to buy gold at \$660 per ounce, about 30 per cent over current levels.

Foreign rush for Tokyo listings

BY YOKO SHIBATA IN TOKYO

FOREIGN COMPANIES are seeking share listings on the Tokyo Stock Exchange in increasing numbers. The number of listings rose from 21 at the beginning of this year.

GTE, Faribos and IU International. By the end of 1976 the list had grown to 17, but numbers declined in the next few years.

Trading appears to have been stimulated by the entry of increasingly well-known and liquid multinational stocks. Further attractions for Japanese investors are the relatively low price/earnings ratios of foreign shares compared with those of domestic companies.

Among those which have been listed in Tokyo this year are Barclays Bank, British Telecom and Cable & Wireless of the UK, Westpac, the Australian banking group, Canadian Imperial Bank of Commerce and Toronto Dominion Bank from Canada; and Chrysler, Eastman Kodak, McDonald's, Safeway, Schlumberger and Waste Management of the US.

At the same time as the number of companies listed has increased, the volume of dealings on the TSE in foreign shares has also expanded. Last year transactions reached 134m shares, but in the first six months of 1986 they totalled 185m.

For the TSE itself, the hope is that foreign companies will use Tokyo as a market on which to raise equity finance, rather than regard a listing merely as a prestige exercise.

Sterling CP for Toshiba

TOSHIBA, the electronics group, is the first Japanese borrower to arrange a sterling commercial paper programme.

Montreal bank in London

BANK OF MONTREAL yesterday inaugurated a separately capitalised London subsidiary which will underwrite and distribute Euro-market securities.

First-half downturn at Saipem

SAIPEM, the oil and gas pipeline laying and drilling subsidiary of Italy's ENI, has suffered as a result of the crisis in the world oil sector, seeing both its profit and revenues take a substantial drop in the first half of this year.

Advertisement for SYDBANK A/S U.S. \$40,000,000 Multicurrency Facility. Includes logos for Chase Investment Bank, Österreichische Volksbanken, Caisse Centrale des Banques Populaires, State Bank of South Australia, Bohusbanken, Société Générale Alsacienne de Banque, Föreringsbankernas Bank, Skånska Banken, and The Chase Manhattan Bank, N.A.

Joint venture merchant bank for China

CHINA'S FIRST joint venture merchant bank is due to open this autumn in the Shenzhen special economic zone, Reuter reports from Peking.

FT INTERNATIONAL BOND SERVICE

Table of international bonds with columns for Issuer, Issue, Maturity, Coupon, Yield, and Price. Includes sections for US Dollar, British Sterlings, and Convertible Bonds.

Large advertisement on the right edge of the page, partially cut off, featuring the text 'IF YOU ABO' and an image of a person's face.

INTL. COMPANIES and FINANCE

John Wicks on the Swiss travel group's diversification plans
Kuoni sets up in hotel management

KUONI TRAVEL, a leading international name in the travel agency and tour operator industry, is spreading its wings. A hotel management subsidiary, formed in July, is working on 35 projects as far apart as the Caribbean and East Africa.

Reisebüro Kuoni, the Swiss parent company, goes back to 1908, when Mr. Alfred Kuoni added a travel agency to the family freight group. Today it claims to be the third largest travel organisation in the world with a 1985 turnover of Sfr 1.4bn (\$886m) and operations in 15 countries.

Mr Jack Bolli, company chairman, under whose leadership Kuoni has doubled its sales since 1977, admits that times are hard in the travel agency business. Switzerland last year accounted for 60 per cent of group turnover—the share will be higher in 1986 due to the strength of the Swiss franc.

The British operation remains one of the jewels in the Kuoni crown. The Swiss group moved into England in 1965 by taking over Challis and Benson, the Bond Street travel agency, soon to become the leading tour operator for long-haul holidays in East Africa, the Caribbean and the Far East. In 1974 the company acquired Holidays World Holidays—its major competitor—in Dorling. Kuoni now runs it as Britain's largest long-distance holiday operator.

The UK subsidiary is a pioneer in the use of chartered Concordes for holiday flights; coming up is a £15,000-plus round holiday by Concordes trip for the particularly well-heeled. It continues to do well for itself. Mr Bolli expects yet another record earnings figure for this year.

Not all Kuoni's foreign ventures have proved so successful. In the past couple of years the group has pulled out of several branch operations which were not paying. This rationalisation programme has now been completed, and travel agency activities seem set fair to expand again.

At the same time, international travel is suffering from the effects of terrorist attacks and the foreign exchange situation. Air fares are chaotic, and reservations in any case are being made increasingly through the airlines' own reservation systems.

Depending on the Swiss franc level, Kuoni group sales seem likely to remain at about 1985 levels. Parent company profits, which rose 15 per cent last year, should be satisfactory, says Mr Bolli, but without setting another record. It certainly seems out of the question



Mr Jack Bolli: expects satisfactory profits

manager in the family in the person of Mr Bolli's son Hansruedi, with 20 years in the business. As general manager of the new subsidiary, Mr Hansruedi Bolli envisages contracts with between 25 and 30 hotels within the first three years. As yet, Kuoni does not have any immediate plans to buy any hotels other than its two existing Caribbean properties, though it appears an offer is being considered. The general rule will be the management on an individual basis — Mr Hansruedi Bolli does not want any house-style standardisation — of resort hotels, mostly in the Caribbean and the Mediterranean.

Already, Kuoni Hotel Management has several working contracts. Apart from running the group's own properties in Barbados and Antigua, it manages three country hotels in Switzerland and has a consulting agreement with a fourth, as well as management contracts with several properties elsewhere. These include the Comino in Malta, which is to be expanded; the Hotel Kiris in Antalya, Turkey (70 per cent stake: 10 per cent); the 500-bed Deep Bay on Antigua, due to open in a year's time, and the \$180m Royal Louvet project on St Lucia for completion in two or three years as the Caribbean's biggest single holiday and leisure centre.

Other contracts, still under consideration, are for resort developments in Greece, the Caribbean, East Africa and the Canary Islands. The main criterion for Mr Bolli is that the hotel business should make money. Kuoni-run hotels will not grant special prices to Kuoni Tour operators and will all have to justify themselves as profit centres.

work of nine travel agencies. ... and above this, Kuoni began to feel the need for some form of diversification—but only in sectors where the company already had some know-how. "This could have meant hire-cars, aircraft, ships or hotels," says Mr Bolli. "Since we had to decide on a priority, hotels seemed the most obvious." Even before setting up Kuoni Hotel Management, the group had been involved in the business. It has minority stakes in Hotel Nyal Beach and Reef Hotels in Mombasa, while Kuoni (Caribbean Enterprises), the British Virgin Islands holding subsidiary, owns the Discovery Bay on Barbados and the Hawksbill on Antigua. The company also had plenty of experience of the hotel sector as a major tour operator — and a highly-skilled hotel

Danish electrical group in first-half setback

BY HILARY BARNES IN COPENHAGEN

GREAT NORTHERN Telegraph reports a drop in first-half profits from Dkr 50m to Dkr 38m (\$6m), despite an increase in extraordinary income from Dkr 59m to Dkr 41m. Turnover rose by 8 per cent to Dkr 1.3bn. The group has sold its Hellesees battery sales subsidiaries in the four Nordic countries to Duracell, its American competitor. Hellesees will cease pro-

Kemira earnings decline 7% at six-month stage

BY OLLI VIRTANEN IN HELSINKI

KEMIRA, the Finnish fertiliser and chemical industry group, reports half-year profits before appropriations and taxes down 7 per cent at FM 136m (\$26m). Group turnover for the period increased by 4 per cent to FM 3.46bn compared with the first six months of 1985. The agricultural division, which accounts for 41 per cent of the group's turnover, suffered most. Its turnover came down

by a fifth because of lower fertiliser prices and increased competition in Europe. The best performer was the titanium dioxide division, thanks to the acquisition of American Cyanamid's titanium dioxide plant in Savannah, Georgia, in the summer of 1985. The plant's figures were consolidated as of the beginning of this year

NOTICE OF REDEMPTION

To the Holders of

General Mills, Inc.

U.S. \$100,000,000 12% Notes, Series A, due December 19, 1991

NOTICE IS HEREBY GIVEN to the holders of the outstanding 12% Notes, Series A, due December 19, 1991 (the "Notes") of General Mills, Inc. (the "Company") that, pursuant to the provisions of Section 7(e) of the Series A Fiscal and Paying Agency Agreement dated as of December 19, 1984 between the Company and Morgan Guaranty Trust Company of New York (the "Fiscal Agent") and Paragraph 4(a) of the Terms and Conditions of the Notes, the Company has elected to redeem on October 15, 1986 U.S. \$23,715,000 principal amount of the Notes (the "Redemption Notes") at a redemption price equal to 101% of the principal amount thereof, together with accrued interest to said date, in the amount of U.S. \$493.33 for each U.S. \$5,000 principal amount and U.S. \$986.67 for each U.S. \$10,000 principal amount as follows:

Table with columns for Outstanding Notes of \$5,000 Each Bearing the Following Distinctive Numbers. Lists serial numbers and amounts.

Table with columns for Outstanding Notes of \$10,000 Each Bearing the Following Distinctive Numbers. Lists serial numbers and amounts.

Payment will be made, subject to applicable laws and regulations, in U.S. dollars on and after October 15, 1986 upon presentation and surrender of the Redemption Notes with coupons due December 19, 1986 and subsequent coupons attached, failing which, the amount of missing surrendered interest coupons will be deducted from the sum due for payment and paid in the manner set forth in the Terms and Conditions of the Notes against surrender of the related missing interest coupons within the period of time prescribed by the applicable statute of limitations, at the main offices of the Fiscal Agent in London, Brussels, Frankfurt am Main, Paris and Tokyo, the main office of Amsterdam-Rotterdam Bank N.V. in Amsterdam, the main office of Swiss Bank Corporation in Basle and the main office of Creditbank S.A. Luxembourg, in Luxembourg. Payments at said offices will be made by a United States dollar check drawn on a bank located in The City of New York, or by transfer to a dollar account maintained by the payee with a bank in London. No payment on any Bearer Notes will be made at the Corporate Trust Office of the Fiscal Agent or any other Paying Agency maintained by the Company in the United States nor, except as otherwise permitted by U.S. Treasury Regulation without adverse tax consequences, will any payment be made by transfer to an account maintained by the payee in, or by mail to an address in, the United States.

From and after October 15, 1986, the Redemption Notes will no longer be outstanding and interest thereon shall cease to accrue. U.S. \$1,975,000 principal amount of Notes will remain outstanding after the redemption.

It is suggested that each holder consult his own tax advisor concerning his particular tax situation.

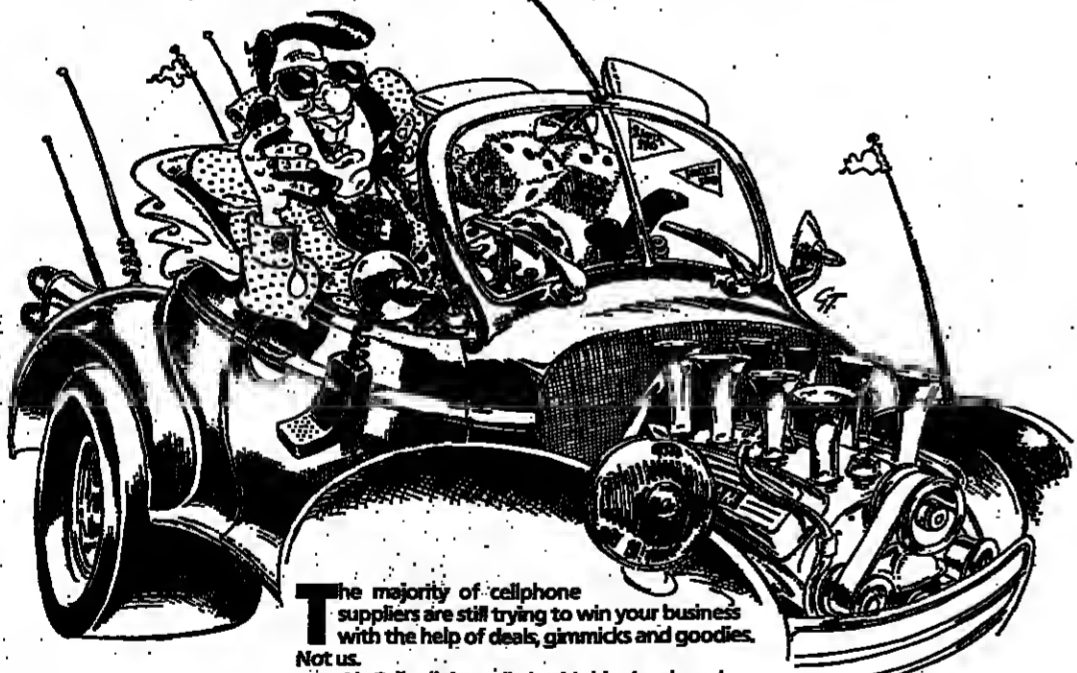
Any payments made to an address in the United States, directly or by electronic transfer, may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding of 20% of the gross proceeds if payee not recognized as exempt recipient. Failure to provide a Paying Agency with an executed IRS Form W-9 in the case of non-U.S. persons or an executed IRS Form W-9 in the case of U.S. persons.

Under the Interest and Dividend Tax Compliance Act of 1983, we may be required to withhold 20% of any gross payments made within the United States to certain holders who fail to provide to a Paying Agency listed above, and certify under penalties of perjury, a correct taxpayer identification number (employer identification number or social security number, as appropriate), or an exemption certificate on or before the date the securities are presented for payment. Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of 30% imposed by the IRS. Please therefore provide the appropriate certification when presenting your securities for payment.

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UK COMPANY NEWS

# LASMO falls and omits interim

MR ROBIN ADAM, chairman of London & Scottish Marine Oil (LASMO), announced yesterday that the slump in oil prices over the past year had wiped slightly more than £10m off the group's net profits at the six months stage.

And in the light of continuing unstable crude oil prices and difficulty in predicting the full year outcome, the directors have decided to pass payment of the interim dividend—4.5p was paid previously.



Mr Robin Adam, the chairman of LASMO

During the first six months of 1986 the price of LASMO's North Sea crude oil averaged £11.12 per barrel. In the corresponding months of 1985 it averaged £22.63.

As a result, turnover from production fell by 48 per cent, from £107.6m to £57.8m—the group is one of the UK's larger independent oil companies.

The cost of sales was only slightly reduced and as a consequence, profits at the pre-tax level fell by 56.4m to £10.8m. A reduction in the tax charge from £58.2m to £3.8m left net profits at £6.5m, compared with a previous £18.7m.

City analysts were expecting a sharp decline and were looking for profits in the region of £15m after tax. LASMO's shares

closed at 110p, a fall of 7p on the day.

Mr Adam said: "In my opinion, the volatility in crude oil prices is liable to prevail for some time. While this makes investment decisions more difficult, we continue to build for the future from an excellent base of land, production and reserves."

The directors' recommendation on the final dividend will be made when the annual results are known. The 1986 year saw net profits rise from £81.6m to £37.7m and the total dividend maintained at 12.2p net.

The first half results included a post tax £2.7m share of profits from the 29.9 per cent stake in Enterprise Oil, which was acquired from RTZ in January in exchange for LASMO shares.

With the price of crude continuing to fluctuate wildly and having assessed the group's net realisable value of recoverable reserves, the directors decided that no permanent impairment of the net book amount of oil and gas assets could be identified at this time.

They said LASMO's financial position remained strong. Net debt at June 30 amounted to £105m compared with £103m at December 31 1985 and the debt/equity ratio was 0.3:1.

Cashflow from operations after tax for the half year was £42m which matched capital expenditure. In August, the group disposed of its Netherlands offshore interests for £22m (£15m).

The directors said that in anticipation of falling prices they implemented substantial cuts in worldwide capital expenditure together with staff reductions.

They added that in spite of this, an increase in net oil and gas production to record levels was achieved.

During the first six months of 1986 average production was 47,400 (44,500) barrels of oil equivalent per day, and several significant new field discoveries were made.

Successful appraisal wells increased LASMO's net proven reserves by 10 per cent to 121m barrels of oil equivalent.

In the six months the group participated in 91 wells which resulted in 53 oil wells and five gas wells. The drilling success ratio for exploration wells remained high at 36 per cent.

In April, LASMO successfully launched a £50m Eurosterling loan, repayable in 1992. The directors said yesterday that the issue, co-managed by a strong group of international banks, demonstrated the market's confidence in LASMO at a time of great difficulty in the oil industry.

The funds were being used to repay short-term debt and lengthen the term of borrowings. See Lex

# Imps in £118m deal to buy out loan stock

By Charles Mitchell

Imperial Group, the tobacco, foods and drinks company which was taken over by Hanson Trust last April, plans to buy out the holders of four of its classes of loan stock at a steady premium in a deal worth a total of £118.4m.

Hanson needs the approval of the loan stock holders for a plan to transfer ownership of the Imperial foods and tobacco business to another Hanson group company following last week's agreement to sell the Coleridge drinks business to Elders IXL of Australia.

Imperial will repay at par its 5 per cent 1985-90, 6.9 per cent 2004-09 and 7.5 per cent 2004-09 loan stocks. The 10.5 per cent 1990-93 will be repaid at 110p.

These stocks had recently been trading at considerably lower levels. The 6.9 per cent stock was earlier this month quoted at 87.5, the 7.5 per cent at 87p and the 10.5 per cent at 89.4p.

The repayment price was decided on after discussions with Hanson's advisors and some of the major international owners of the loan stocks. The 5 per cent stock will be repaid on October 10, while the proposed repayment of the other three classes requires the approval of stockholders at meetings to be held on October 17. Repayment would take place on October 31.

In a separate development, Hanson has agreed to sell its Hammary Food Services business to the Le-2-Bay Chair Company for about \$11.2m cash.

Hammary was formerly part of US Industries, which was acquired by Hanson. It makes occasional tables, wall units and upholstered furniture and reported a loss of £200,000 on sales of £23m. It had net asset value of \$10.5m.

**Pearson sells suburban newspapers**  
By David Goodhart

Westminster Press, the provincial newspaper subsidiary of Pearson, is continuing its disposal policy with the sale of Middlesex County Press (Uxbridge) division for £2.5m cash.

Subject to contract it will be acquired by two newspaper entrepreneurs, Mr David Platt and Mr Gareth Clark, with the support of County Development Capital and £1 (Investors in Industry).

Middlesex County Press publishes four paid for weekly papers and five free papers circulating in Middlesex, Buckinghamshire and West London. In the year to December 1985 turnover was £12m and operating profit £300,000. Assets value is about £2m but the main freehold properties have been excluded from the sale.

Westminster Press said that the sale represents an important stage in its policy of re-grouping to concentrate on daily newspaper and non-suburban weekly newspaper centres. In the past supported by free newspapers.

The new owners, who helped to run Morgan Communications before it was taken over by Reed International, made initial enquiries to Westminster Press. They have said they intend to continue the development of the business.

**Carlton Comm. directors sell shares**

Two directors of Carlton Communications, Mr Nigel Wray and Mr David Green, both announced the sale of 500,000 shares in the company yesterday—realising for each of the £4.4m.

Carlton said that the sale, at 88p per share, was made with the company's blessing and had been easily placed with several institutions. The two men have agreed not to sell any more shares for two years.

Following the sale of about three per cent of Carlton's equity, Mr Green, a brother of Mr Michael Green, the chairman, will continue to own over 5m shares and Mr Wray, who acquired his shares when he sold his Fleet Street Newsletter to Carlton, will continue to own over 1m shares. Carlton closed last night unchanged at 91p.

**Hibernian profit**

Hibernian Group, Irish controlled non-life company, returned pre-tax profits of £2763,000 (loss £24,05m) in first half of 1986. Underwriting loss reduced from £13.8m to £3.5m. Earnings per share 0.94p (loss 5.49p). No interim, as indicated, in listing particulars for full year on Irish Stock Exchange.

# Steetley ahead 17% and good trading continues

WITH PRE-TAX profits showing an increase of 18.9 per cent growth has continued at Steetley in the first half of 1986. Good trading levels continued into the third quarter and the directors are looking for a satisfactory result over the full year.

For the six months group turnover rose from £183.5m to £200.8m, at just 1 per cent, but the profit before interest advanced by 18.9 per cent, from £18.14m to £20.62m.

A cut in interest charges meant the pre-tax profit was up from £18m to £19.5m. Exchange rate movements held back the sterling increase in the US.

Mr David Doune, chairman, said the main objectives in recent years, those of improved competitiveness coupled with a programme of investment in new products, had combined to produce another set of excellent figures.

Profit before interest in the UK came to £15.32m (£13.96m). He said construction materials produced improved results despite the poor weather conditions in the early months. The new brick plant at Parkhouse

was fully commissioned and operating at its rated capacity. Benefits from the refractories section recovered to more normal levels after the previous drop when they were hit by the effects of the miners' strike.

Results of other UK activities were similar to last year. North America produced a profit of £3.66m (£3.4m). In dollar terms the advance was 25 per cent and stemmed from better performance by both the distribution and minerals businesses.

Additional profits from recent acquisitions contributed to much improved results from the French construction materials business, and were reflected in a substantial increase from £508,000 to £1.87m in profits from Western Europe.

In the Middle East profits fell from £233,000 to £88,000. Interest charges for the period were £1.5m (£2.05m). UK tax came to £5.31m (£5.1m) and overseas to £1.5m (£1.36m), minorities again took £1,000 and the preference dividend £6,000, which left the net profit attributable to ordinary holders

at £11.51m (£9.54m). Earnings were 18.88p (15.55p) per share and the interim dividend is lifted to 5.5p (5p) net.

Since the start of 1985 year the group lifted its pre-tax profit from £32.7m to £38.84m and its dividend total from 12p to 13p.

Some careful juggling is required to decide just how commendable Steetley's figures are. On the one hand, the results take in a £90,000 bounce-back from the French quarrying operations and Steetley refractories, and the acquisition of four more French quarries probably added another £90,000 to the pre-tax figure. Yet the negative effect of currency movements, which cost around £900,000, and the unsurprising £145,000 downturn in the Middle East contribution still left plenty of ground to be made up by organic growth. If there is a problem with the figures, it is the question of where Steetley goes from here, for although there is enough impetus in the first-half advance to suggest that the group will make the expected £1m for the full year, it is hard to see how the growth rate is going to prove remarkable much beyond then. The share price of 49p and prospective p/e multiple of 11 gives Steetley a rating at the low end for its sector, a level at which it seems likely to pause pending evidence that the strategy for growth will prove as effective as the strategy for recovery.

**THE INTEREST** rate for this week's issue of local authority bonds is 10 1/2 per cent, up a percentage point from last week, and compares with 10 1/8 per cent a year ago. The bonds are issued at par and are redeemable on September 30, 1987. A full list of issues will be published in tomorrow's edition.

**DIVIDENDS ANNOUNCED**

Company	Current payment	Date	Corresponding payment	Total	Total last year
Belfort	0.6	Oct 31	0.6	—	—
Folkestone	0.55	Nov 14	0.55	—	1.4
Invergordie Dist.	1.5	Oct 31	1.5	—	4.75
Johnsen & Jorgan	1.35	Oct 31	1.25	—	4.1
LASMO	nil	—	4.5	—	12.2
Maclean-Glenlivet	1	—	1	—	3.4
Murray Ventures	6	—	1	—	8.5
Octopus Publishing Int.	2.7	Oct 31	2.18	—	6.75
Raglan Prop.	0.1	Nov 24	0.09	—	0.09
Scott & Robertson Int.	1	Dec 1	0.9	—	2.7
Sintrum	0.75	Nov 14	0.75	—	2.3
Spectra Antef	0.91	—	0.83	—	2.6
Steetley	5.5	Oct 15	5	—	13

Dividends shown in pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock. §Unquoted stock.

# Good growth for Murray Ventures

Over the 12 months ended July 31 1986 Murray Ventures, the Glasgow investment company which seeks capital and income growth by specialising in unlisted securities, lifted its net asset value from 364.8p to 539.8p per share, or by 48 per cent.

Five of the companies in which Murray was invested obtained listings, and a further three unlisted holdings were realised. Together these yielded the company a 95.3 per cent profit.

The company's earnings for the year moved ahead from 6.1p to 8.79p per share. Shareholders benefit with a final dividend of 6p which lifts their total from 5.5p to 8.5p. They will also get a 1-for-1 scrip and can expect a payment of at least 5p for the current year on the higher capital, the directors forecast.

Total revenue in the year came to £2.09m (£1.65m), with franked accounting for £1.23m (£831,000) and unfranked £853,000 (£879,000).

# Clyde Petroleum falls into red and warns of asset write-down

BY MAX WILKINSON

Clyde Petroleum, the independent oil exploration company, yesterday announced a pre-tax loss of £1.5m for the six months to August, compared with a £2.6m profit last time.

Mr Colin Phipps, chairman, warned shareholders that he may have to write down the value of their assets by £25m if it appeared by the end of the year that oil prices were likely to remain at about \$15 per barrel in the medium term.

The shares closed 3p lower at 37p.

The size of the provision would depend on whether there had been any significant change in the exchange rate or other factors affecting the carrying value of the company's assets.

A £25m write down would represent a little more than a quarter of the estimated value of shareholders' funds at the end of June. However, Phipps said that the adjustment would still leave funds significantly

larger than present market capitalisation of the company.

As in previous years, the company is not proposing to pay an interim dividend.

Turnover was £8.42m close to the £8.8m of last year, despite the collapse in the oil price. This reflected a near doubling of production to an average of 8.1m barrels per day during the period, largely as a result of the acquisition of 0.75 per cent of the Forties field from Texaco, increased output from the Buchan field, and a sharp rise in output from its interest in Ectador.

The average price realised by Clyde in the UK for the first half of the year was \$12.50 or \$3.33.

There was an operating loss of £1.06m (£2.95m profit) with a loss of £2.43m (£829,000 profit) in the UK being offset by profit of £1.49m (£1.5m) from Ecuador. After tax of £593,000 (£138,000) losses per share came out at 1.6p (earnings 3.5p).

In spite of the sharp swing into loss, Mr Phipps believed the longer term outlook for the company was good. The majority of the company's proven reserves of 20-30s barrels (with possible and probable reserves about the same again) would not be produced until after 1990, when there was a good prospect of a recovery in the oil price.

Until then the company would be able to survive as a result of retrenchment measures and continuing positive cash flow. As long as oil prices remained above \$10 per barrel Clyde would be able to cover overheads and interest payments, although at \$10 per barrel it would not be able to afford the exploration it would like.

On the assumption of a somewhat higher oil price the company's strategy was to continue to explore and to acquire oil reserves where possible. See Lex

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Commerzbank Aktiengesellschaft **Crédit Lyonnais, London Branch**

Deutsche Bank Aktiengesellschaft **The Fuji Bank, Limited**

The Industrial Bank of Japan, Limited **Midland Bank plc**

The Royal Bank of Scotland plc **The Sanwa Bank, Limited**

Toronto Dominion Bank **TSB England & Wales plc**

Participants

**The Bank of Scotland**

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**Manufacturers Hanover Trust Company** **The Mitsubishi Bank, Limited**

**The Sumitomo Bank, Limited** **The Tokai Bank, Limited**

Agent

**S. G. Warburg & Co. Ltd.**

September, 1986

**CIE**

## A YEAR OF PROGRESS FOR IRELAND'S NATIONAL TRANSPORT COMPANY

Major capital expenditure projects, totalling £40m, were undertaken in 1985 to keep faith with our commitment to upgrade the quality and reliability of our services.

At the end of 1985 our total borrowings on capital account stood at £230m. I would, however, be hopeful that our 1986 Capital programme of £34m, can be financed without adding to this burden. However, the resolution of this funding problem is one of the major management challenges facing CIE to-day.

CIE is meeting the challenge of providing a quality service to the nation. To this end the Board has submitted a proposal to Government to build diesel rail cars at our engineering works at Inchicore — as an extension to our rail carriage building programme. This will ensure continued employment for a number of years, and will cater for a growing passenger demand on the Dublin outer suburban and radial lines, where the quality of present services leave much to be desired. Given the resources I remain confident that CIE will meet the requirements and expectations of the Irish people.

G. T. Paul Conlon, Chairman

It gives me great satisfaction to report a further year of progress in the drive to invigorate and re-orientate our national transport company.

In financial terms the overall outlook for 1985 was a profit of £5,793,000, compared with a deficit of £0,004,000 in 1984. This profit achievement was against a backdrop of national inflation and recession. Every section of CIE business has solid progress to report.

Our demonstrable achievements in 1985 derive from positive management applied to good business strategy. As a result the Exchequer's public service obligation payments to CIE have been reduced quite substantially in real terms.

The above is an extract from the Chairman's Statement published in the 1985 Report and Accounts of CIE.

## BANRO INDUSTRIES plc

Interim Results - Unaudited

Results for the half year to	30.6.86	30.6.85	Year to 31.12.85
Turnover	£'000s	£'000s	£'000s
	19,585	14,419	31,411
Profit before tax	891	562	1,615
Earnings per share*	8.5p	4.7p	13.2p
Dividend per share (net)*	2.0p	1.5p	5.5p

\*Comparative figures included to reflect the effect of the one-for-five capitalisation issue on 12th May 1985.

66 These results reflect a very satisfactory performance by the Group in the year to date. The Directors expect this progress to continue into the future and we have every confidence that the full year's result will be most satisfactory.

The Board will continue to investigate all opportunities for expanding Banro's scale of operations, both in manufacturing and distribution, and the reduction in the level of borrowings resulting from the rights issue will provide greater flexibility in considering suitable acquisition possibilities.

A Rights issue of one-for-three and an interim dividend of 2.0p per share is being proposed by the Directors and they are forecasting a final dividend, subject to no unforeseen circumstances, of 4.5p per share on the capital increased by the Rights issue. 99

Edward Rose, Chairman and Chief Executive

**BANRO**

The principal activities of the group are the manufacture of a wide range of metal and glass products for the transport, domestic appliance and building industries. Brownhills, Wexford, West Midlands WS8 7JP.

UK COMPANY NEWS

Walter Lawrence expands and pays £23m for Poco

BY LIONEL BARRER

Walter Lawrence, once best known as a building contractor, is dramatically expanding its housebuilding activities with a £22.7m acquisition which will double the group's share capital.

Interest attributable to housing development as incurred is no longer being capitalised. The group is now moving to the more conservative policy of writing it off. The tax charge of the enlarged group is expected to account for around 20 per cent of pre-tax profits.

At August 31 1986, Poco had a land bank comprising more than 2,100 plots located on 53 sites, varying in size from two to 206 plots. Though the company is strong in Manchester, it also has land in the South of England, complementing Lawrence's strength. It employs 200 people.

Norton bid expected to get the green light

By David Goodhart

THE SECRETARY of State for Trade and Industry is today expected to publish the Monopolies and Mergers report on Norton Opax's contested bid for the larger printing group, McCorquodale.

BBA is surprise buyer of Grosvenor

BY DAVID GOODHART

BBA Group, the fast-growing friction materials and conveyor belt company, yesterday emerged as the surprise buyer of Grosvenor Group the troubled electronics and engineering company.

J. E. England takes on a new look

J. E. England and Sons, a produce supplier and convenience food merchant, yesterday announced changes in its board and shareholding structure and the disposal of its Mosepack (Potatoes) subsidiary in a management buyout.

Blacks' position 'critical'

BY CHARLES BATCHELOR

Blacks Leisure Group, the camping and leisure chain which faces receivership unless a £3.5m agreed takeover bid from Sears is successful, yesterday appealed to its 4,500 shareholders to accept the offer.

Blacks' advisers, said the company had carried out a telephone campaign to urge shareholders to accept but many appeared to be awaiting a higher offer.

Laidlaw Thomson

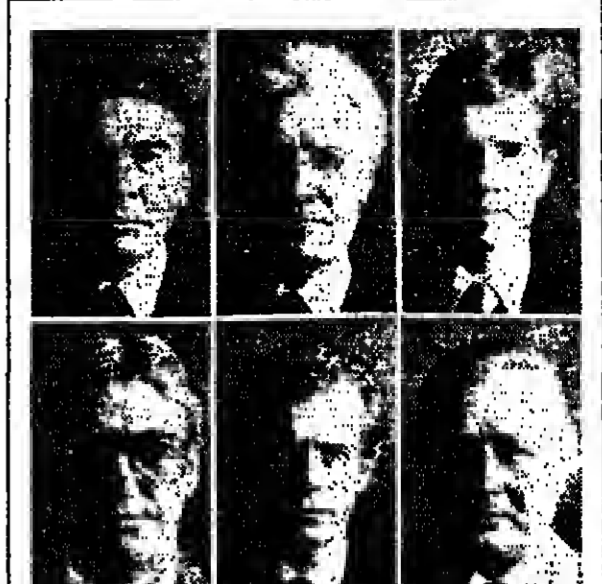
Laidlaw Thomson (architectural ironmongery)

Laidlaw Thomson (architectural ironmongery) reported a 29 per cent increase in turnover to £248,000 in the half year ended June 30 1986, on turnover ahead from £192,000 to £232,000.

New board plans to expand 'Times' Veneer

"The Times" Veneer, a timber company, yesterday announced a major boardroom shake-up and plans for a policy review and expansion following the acquisition of a 29.9 per cent stake by a group of new investors.

Berman and other Berman family members on the board would be resigning from it but would continue as employees to be responsible for the timber interests of the group.



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United Kingdom Floating Rate Notes Due 1996. In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 24th September, 1986 to 24th December, 1986 the Notes will bear interest at the rate of 5 1/2 per cent per annum.

Polypipe plc. Introduction to the Official List. Authorised £3,000,000. Issued and fully paid £2,490,000. Application has been made to the Council of the Stock Exchange for admission to the Official List of the whole of the issued Ordinary shares capital of Polypipe plc.

BARDSEY GROUP has sold Taylor Pallister to Glywed Engineering for £245,000 (subject to stock valuation), of which £200,000 has been received. Taylor Pallister makes motor lifting equipment for the marine and off-shore oil industries.

depressed while many planned state-funded projects were delayed or deferred. After rationalisation company well placed to take advantage of any upturn.

United Kingdom Floating Rate Notes Due 1996. In accordance with the provisions of the Notes, notice is hereby given that, for the three months period, 24th September, 1986 to 24th December, 1986 the Notes will bear interest at the rate of 5 1/2 per cent per annum.

Electronic Rentals Group p.l.c. £50,000,000. Uncommitted Revolving Acceptance Credit Facility with Tender Panel. Arranged by Morgan Grenfell & Co. Limited.

RIVERSIDE PRESS, of Whitestable, reported a significant improvement from £380,000 to £730,000 in pre-tax profits over the six months to July 31 1986.

RAINE INDUSTRIES completed the sale of Fox Umbrella Frames to a private company, Teampecc for £281,000 (including the repayment of bank overdraft and intra-group loans).

MRS BRITANNIA UNIT TRUST. As a result of the passing of Extraordinary Resolutions at a general meeting of the above Trust at separate meetings on 22nd and 23rd September 1986.

To HAT Group Shareholders. The BET offer for your shares expires at 10.30am tomorrow, Thursday. IT WILL NOT BE EXTENDED.\* To be effective, your form of acceptance must be with BET's Registrars, Hill Samuel Registrars Limited, at 6 Greencoat Place, London SW1P 1PL by that time.

COMMERZBANK

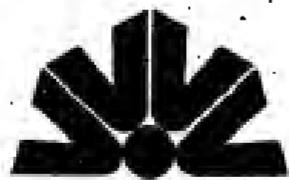
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UK COMPANY NEWS

Octopus advances 13% despite sluggish market

BY ALICE RAWSTHORN

Octopus Publishing, book publisher, announced yesterday that it had succeeded in increasing pre-tax profits by 13 per cent to £7.08m in the first half of 1986 despite the sluggish state of the book market and adverse exchange rates.

Almost all UK book publishers suffered from lacklustre demand in the opening months. The downturn is generally attributed to depressed sales of books last Christmas and retailers' subsequent over-stocking problems. "The book trade as a whole had a disappointing start to the year," said Mr Paul Hamlyn, Octopus's chairman. "And although our companies in both main overseas markets, Australia and US, improved in local terms, we were affected by adverse currency movements."

Nevertheless in the period turnover rose to \$60.47m (£54.28m) and operating profits to \$5.84m (£5.51m). Its share in profits of associated companies - one-third of Pan Books and half of Conran-Octopus - fell to £191,000 (£241,000) because of the depressed paperback book market. But investment income rose to £1.05m (£702,000).

The comparative figures have been restated to take account of the contribution from Heinemann, the book publishers acquired from BTR, industrial



Mr Paul Hamlyn, chairman of Octopus Publishing

holding company, last July. Earnings per share rose to 8.8p (7.5p) and an interim dividend of 2.7p (2.18p) is being paid.

Much of the first half was spent in integrating Heinemann and Hamlyn, the latter was purchased from Reed International in March. Octopus has cut costs within both companies. Invested in the marketing of Heinemann's educational books and improved Hamlyn's distribution.

Yesterday Octopus announced plans to close Heinemann's distribution centre in Kingswood, Surrey next March and to concentrate distribution at the Hamlyn warehouse in Rushden, Northamptonshire.

According to Mr Hamlyn there had been some improvement in demand for books in recent months and he was "fairly optimistic" about the prospects for the crucial pre-Christmas period.

● comment

The recent weakness of the Octopus share price is more a reflection of the original over-indulgent rating than dissatisfaction with the company's performance. After all who could quibble with a 13 per cent rise in pre-tax profits when the book market is in such a sorry state and adverse exchange rates wipe £1m or so of overseas earnings? Octopus' core activities have been relatively quiet in the last nine months. Thus far Octopus' efforts and energies have been expended on cutting costs at Heinemann and Hamlyn and integrating the companies within the group. It is only the next year that the company's ideas for polishing up the book list and introducing new sales practice will really be put into practice. Meanwhile the cash pile is mounting and Mr Paul Hamlyn is beginning to ogle areas of educational publishing in the UK and generalist publishing overseas where Octopus is under-represented. With projected profits for the full year of £23.5m the prospective P/E of 16.3 on yesterday's share price of 480p is starting to look a little low.

Sintrom down 18% despite second quarter recovery

Sintrom saw pre-tax profits fall by 18 per cent from £717,000 to £589,000 in the six months to end-June 1986, despite reporting a substantial improvement in the second quarter.

Turnover for this maker of data storage and computer peripheral equipment was almost unchanged at \$8m against \$7.96m. Earnings came out lower at 4.2p (3p) per 10p share, but the interim payment is being maintained at 0.75p.

Sintrom Electronics experienced lower demand in the first part of the year, directors said. Action was taken and the company was showing an improvement compared with the previous year. Its service division was set up as an independent company.

Following the downturn in

the oil industry, in which Sintrom Rentals had a major part of its business, it was decided to withdraw from the sector. An extraordinary charge was made to cover potential losses.

Following a cut in overheads, recovery at the Perex offshoot was expected to continue. The Logic Replacement Technology networks division saw 80 per cent growth during the period and directors said that it made an excellent profit contribution.

Directors added that Sintrom had maintained its strong cash base and that it intended to adapt to growing business areas by both internal growth and acquisition.

The tax charge was £214,000 (£301,000) and there was an extraordinary debit this time of £330,000.

Johnson & Jorgensen improves

Small improvements in sales and profits have been achieved by Johnson & Jorgensen Packaging in the six months ended June 30 1986.

This USM quoted manufacturer of plastic and glass containers lifted sales by 4.5 per cent to \$7.04m (£5.78m) and pre-tax profits by 5.1 per cent to \$576,000 (£548,000).

On this occasion, said Mr John Jorgensen, chairman, the cost of the annual holiday closure of the plastics factory came in the first half rather

than in the second as in previous years.

On prospects, he said some of the buoyancy in the market was not quite as apparent as at this time last year, but he believed the second half should provide satisfactory results. For the whole of 1986 turnover was £33.26m and profit £11.8m. After tax £250,000 (£282,000) and minorities £20,000 (£18,000), earnings for the half year came to 4.88p (4.08p). The interim dividend is lifted to 1.35p net (1.25p) at a cost of \$89,000 (£82,000).

Invergordon Distillers profits edge ahead

A RISE of 5 per cent in pre-tax profits by Invergordon Distillers (Holdings) in the first half of 1986 was in line with the board's expectations. Turnover improved by 24 per cent from \$12.8m to \$15.61m to give a taxable result of \$2.13m against \$2.01m.

Earnings per share came out at 53.7p (5.94p) and the interim dividend is unchanged at 1.5p. Last year there was a total dividend of 4.75p on pre-tax profits of \$4.55m.

The company is a subsidiary of Carlton Industries, the ultimate holding company of which is Hawker Siddeley Group.

This year's figures include the results of Charles Mackinlay, which was acquired from Scottish & Newcastle Breweries in November last year.

Directors said that production at the grain distillery was slightly above the previous year, but lower prices for fillings reduced its contribution. The demand for malt fillings continued to be weak.

Sales of blended whiskies were again higher with both Glayva and The Original Mackinlay contributing to the increase. Trading profit came out at \$2.71m (£2.22m), but interest charges were more than doubled from \$214,000 to \$592,000. The tax charge was \$751,000 (£552,000), and after dividends absorbed \$343,000 (£292,000) the residual profit for the period was higher at \$1.62m, against \$865,000 last time.

PERELESS was maintaining its first quarter performance. Mr W. S. Jordan, chairman, told the annual meeting. In the annual report the first quarter profit was given at \$700,000 pre-tax.

ALLIED IRISH BANK said 38.44m shares were taken up in the rights issue, some 91.2 per cent. Shares not taken up have been placed in Dublin and London at 210p per share.

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High	Low	Company	Price Change div. (p) % Fully
146	118	Ass. Brit. Ind. Ord...	133 -- 7.3 5.5 8.1 7.6
151	124	Ass. Brit. Ind. Ord...	131 -- 10.0 7.8 -- --
125	43	Aspen Group	105 -- 7.8 7.2 8.8 5.9
48	28	Avonage and Rhode...	350d -- 4.2 12.0 4.9 4.5
188	105	Bardon Hill	188 -- 4.8 2.4 21.4 19.8
81	42	Bray Technologies	81 -- 4.3 5.3 8.6 8.8
201	76	CCl. Ordinary	88 -- 2.5 3.3 8.3 8.9
112	28	CCl. Theat. Conv. Pref.	88 -- 15.7 17.8 -- --
249	80	Carbonadium Ord.	249 -- 3.1 3.7 12.0 12.3
94	83	Carbonadium 7.5p Pl.	93 -- 10.7 11.5 -- --
128	48	Debank Services	138 -- 7.0 5.0 14.5 19.0
32	20	Frederick Parfums	23 -- 3.5 3.3 2.9 4.2
128	80	George Blissett	114 -- 3.0 4.1 19.6 16.3
74	20	Ind. Precision Castings	74 -- 18.3 11.5 8.1 7.1
218	168	Isle Group	168d -- 8.1 5.9 8.4 7.5
123	101	Jackman Group	123 -- 1.1 1.0 4.8 10.3 6.4
377	228	James Borough	388 -- 1.7 0.8 10.3 7.1
100	85	James Borough Sp. Pl.	97 -- 12.8 13.3 -- --
85	55	John Howson Group	185 -- -- -- -- --
1,035	302	Multihouse NV	880 -- 10 -- -- 45.1 88.7
280	280	Record Highway Ord.	377 -- 14.1 15.8 -- --
100	85	Record Highway 10p Pl.	85 -- -- -- 8.3 4.8
82	32	Robert Jenkins	78 -- -- -- -- --
117	86	Stanton A	117 -- 5.7 4.9 7.1 7.2
370	320	Truston Holdings	322 -- 7.8 2.5 6.7 8.6
70	25	Uthmaniyah Holdings	88 -- 2.8 4.1 12.2 11.7
122	47	Wahler Alexander	95c -- 1 -- 5.0 5.0 3.5 9.1
225	190	W. S. Yates	197 -- 17.4 8.8 19.7 21.6

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the undermentioned securities to be admitted to the Official List. This application is conditional on the passing of necessary resolutions at an extraordinary general meeting of Combined Technologies Corporation plc.

Comtech

Comtech Finance plc

(Incorporated in England under The Companies Act 1985 No. 2004484)

Issue of up to £7,013,684 nominal of 11½ per cent. Guaranteed Convertible Unsecured Loan Stock 1996 (as to £5,013,684 by way of rights) guaranteed by and convertible into Ordinary Shares of Combined Technologies Corporation plc

Combined Technologies Corporation plc, incorporated in England under The Companies Acts 1948 to 1980 No. 1568845, is the holding company of a group of companies engaged in the distribution of motor vehicles and associated motor trade activities and the development and marketing of new high technology products principally in the information storage and retrieval industries.

Details of the listing particulars relating to the issue are available in the Extel Statistical Services. Copies of the listing particulars may be obtained during normal business hours on any weekday (excluding Saturdays) up to and including 22 October 1986 from:

- Comtech Finance plc  
2 Victoria Street  
Luton  
Bedfordshire  
LU1 5NJ
- Hambros Bank Limited  
41 Bishopsgate  
London EC2P 2AA
- de Zoete & Bevan  
Ebbgate House  
2 Swan Lane  
London EC4R 3TS

and also for two days following this notice at the Company Announcements Office of The Stock Exchange.

24 September 1986.

## UK COMPANY NEWS

### Rising orders at Debfor

Debfor Holdings, the lingerie manufacturers and importer which came to the USM in April, returned pre-tax profits of £888,000 from a turnover of £4.6m for the first six months of 1986.

No comparison is given but for the 1985 year as a whole the Nottingham-based company, the largest independent bra manufacturer in the country which includes Littlewoods, British Home Stores, Asda and

the Burton Group among its customers, made profits of £1.38m on a turnover of £5.82m.

As promised in the prospectus, shareholders will receive an interim dividend of 0.6p net from earnings of 7p per 10p share.

Mr David Parker, the chairman, said yesterday that both turnover and the forward order book were running steadily at a higher level than at the same time last year.

Furthermore, the major custo-

mers acquired during the past 18 months or so were making increasing contributions to turnover.

Mr Parker added that the company had traded satisfactorily since the end of June and that the directors looked forward with confidence to a successful outcome for the year.

Interest charges for the first half accounted for £51,000 and tax for £288,000. Net profits emerged at £553,000. Dividend payments will absorb £50,000.

### Macallan trebles its first half profits

INTERIM results at Macallan-Glenlivet, distiller malt whisky reflected an exceptional volume increase in the six months to June 30 1986, but the directors said the increase would not be continued in the second half. In his last annual report, the chairman said he was optimistic that a significant higher result would be achieved in 1986.

Pre-tax profits climbed from £302,000 to £610,000 on turnover up from £2.12m to £3.19m. Trading profits were ahead at £1,06m compared with £811,000. Leasing rentals amounted to £36,000 (£35,000), and depreciation was marginally higher at £134,000 against £129,000. The pre-tax figure was after interest charges down from £336,000 to £232,000.

The interim dividend is unchanged at 1p net—last year's total was 2.34p from pre-tax profits of £719,000 (£745,000). The directors said margins on new whisky remained under severe pressure, although lower fuel costs and economies of scale were helpful during the period. Sales of single malt whisky continued to show a satisfactory advance in an increasingly competitive environment. Further investment in international marketing of the brand should be expected. They added that results for the half-year were not indicative of those for the full year. However, these were expected to show real progress.

### Allied Plant at £0.3m

Allied Plant Group raised its turnover by £2m to £7.34m and its profits before tax from £189,813 to £205,433 in the six months ended June 1986.

The results of Trevor Crocker and Partners, acquired earlier this year, will be included in a merger accounting basis in the full year accounts. The directors said yesterday that the positive momentum of the group had been further enhanced since the end of the half year by the acquisition of the assets of Geoffrey E. Macpherson of Nottingham.

This depot, which expanded the geographical coverage of the group's hiring activities, will be transformed into a Nissan dealership in common with the remainder of forklift operations. First half earnings amounted to 1.1p (0.65p).

SEGWICK GROUP said a total of 47.32m new ordinary and all the new "A" shares had been taken up, representing approximately 96.64 per cent of the rights issue. The balance was sold in the market and net proceeds will be distributed to holders entitled thereto.

### Raglan Property up sharply

Raglan Property Trust, property development company, yesterday reported a substantial increase from £72,734 to £463,611 in pre-tax profits for the year to March 31 1986. Turnover climbed from £507,476 to £9.32m. Stated earnings per 1p share doubled to 0.82p and dividend is raised from 0.085p to 0.1p net.

Mr David Anderson, the chairman, said gross income from investment properties had increased to £268,549 during the year, and rent reviews

achieved had been most satisfactory, particularly in respect of the warehouse building at Hatfield where the rent increased from £12,852 to £221,250. The company continued to monitor the investment portfolio closely so as to enhance its value whenever possible.

The increasing level of the company's development activity, together with the performance of its investment properties encouraged Mr Anderson to believe that it would have another successful year.

#### BOARD MEETINGS

TODAY	
Institutional Investment Trust	Sept. 20
Associated Book Publishers, Baffle	Oct. 2
Clifford Technology, Bact of Scotland,	Sept. 28
Charles Barrat, Bedford, Britec, Bio-	Oct. 2
mechanics International, Brest Chem-	Oct. 2
icals International, Calsonic, Foley,	Oct. 2
Costs Vivaldi, Edmond, Fleming Univer-	Oct. 8
sity Investment Trust, Naval Whiting,	Sept. 25
Low Investment Trust, Julian's	Sept. 25
McLaughlin and Harvey, William	Sept. 25
Morris, Pina, Pina, Moss Bros, Toss,	Sept. 25
Kendry and Midburn, James Wilkie,	Sept. 25
Wold,	Sept. 25
Francis Barrat Developments, Harvey	Sept. 25
and Thompson, Land Investors, Logan,	Sept. 25
Turford Park Estates,	Sept. 25
FUTURE DATES	
Institutional	Oct. 7
Clifford's Dalries	Oct. 7

### FINANCIAL TIMES SURVEY

## ARAB BANKING & FINANCE

OCTOBER 23, 1986

This annual and sought-after Survey on Arab Banks is established in the Middle East and elsewhere. This special Supplement also concentrates on Investment and Finance.

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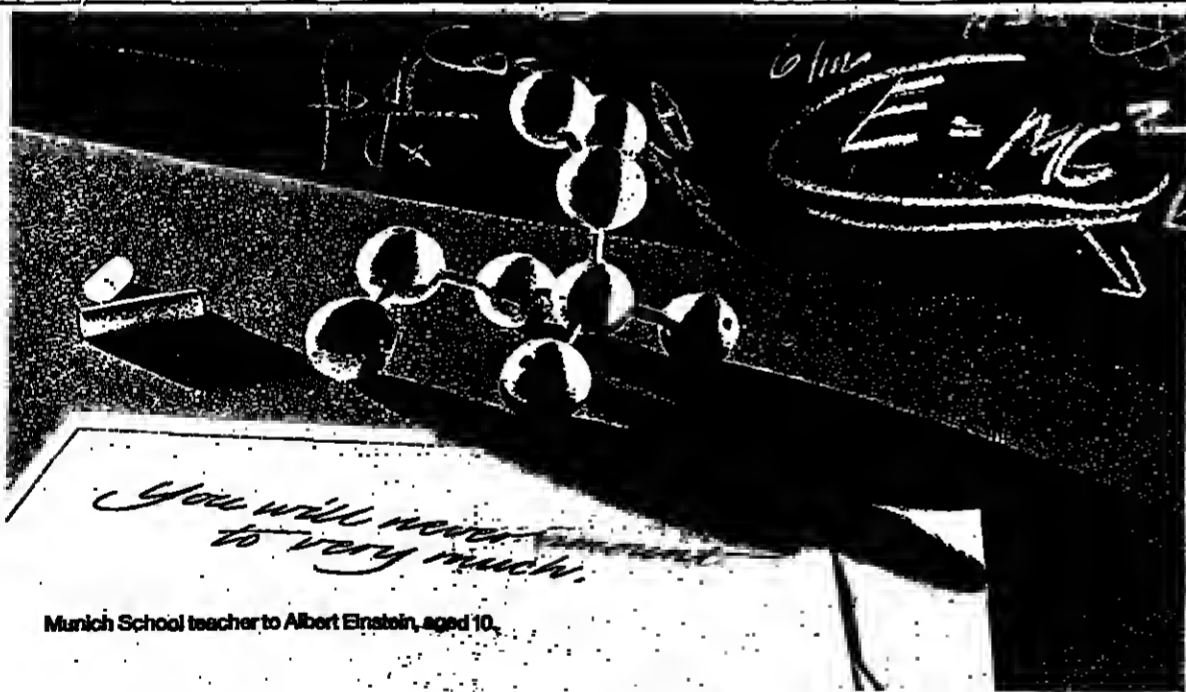
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Marich School teacher to Albert Einstein, aged 10.

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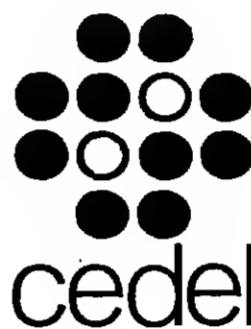
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## THE ADELAIDE STEAMSHIP COMPANY LIMITED

### 1986 ANNUAL RESULTS TO 30th JUNE 1986



	1985 (A\$'m)	1986 (A\$'m)	Increase (%)
Turnover	244.37	365.47	49.56
Profit before Tax	55.20	128.10	132.07
Tax	2.49	32.98	
Profit after Tax	52.71	95.12	80.46
Less Minority Interests	10.74	11.66	
Group Operating Profit	41.97	83.46	98.86
Plus Equity share of Assoc's	18.22	33.75	
Total Operating Profit	60.19	117.21	94.73
Plus Extraordinary Items	.28	6.04	
Consolidated Operating Profit	60.47	123.25	103.82

**Dividend** The annual dividend has been increased to 34 cents per share from 30 cents per share payable on capital increased by the April one for four bonus issue. Final dividend of 18 cps payable November 21. Register closes October 14.

**Comment** Directors are confident of further growth in profitability in 1986/87.

For further information and copies of the Annual Report contact:  
T C Coombs & Co, 5/7 Ireland Yard, London, EC4V 5EE Telephone 01-248-2033

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**UK COMPANIES**

**Folkes confident after opening with 11% rise**

DESPITE A sluggish start, the Folkes Group pushed up its first half profit by nearly 11 per cent, from £700,000 to £776,000. And chairman Mr Constantine Folkes said he was confident that further progress would be made in the second half. For the year 1986 the group produced £2.15m.

The group is involved in industrial property, services, consumer products, and engineering. Its turnover fell from £31.9m to £29.8m.

Mr Folkes said the results highlighted the progress being made as a result of the restructuring of the group by disposals of activities which were unprofitable or outside the mainstream business, and that policy would continue.

At the same time investment was being made in activities where profitable potential was seen. The group had recently established a joint venture in Hong Kong with a local com-

pany to exploit that growth market.

The chairman said general trading conditions had shown little sign of significant improvement; while increased consumer spending had benefited some companies, manufacturing in the UK remained fairly static.

The oil price reduction had brought advantages in energy cost savings but the benefits of cheaper oil would be slow in coming because there was an immediate adverse effect on investment by companies involved in maintenance and exploration of oilfields which was being felt by some subsidiaries.

Net profit for the half year came to £776,000 (£695,000) for earnings of 1.64p (£1.56p) per share. The interim dividend is held at 0.55p net and the chairman said he was hopeful of a "positive review" for the final when the results were known. Last year it was 1.05p.

**Better conditions boost Scott & Robertson**

IN A more favourable trading period, the Scott & Robertson group serving the packaging industry lifted its turnover by 10 per cent and doubled its pre-tax profit in the first half of 1986.

Turnover moved up from £9.6m to £10.6m and profit rose from £22,000 to £52,000. In the 1985 period the profit was affected by a factory move and relocation and certain operating factors outside the company's control. By the end of that year the profit had recovered to £1.1m (£1.02m).

The directors said yesterday that this year's second half results would not reflect a comparable increase, but they were

confident that the outcome for 1986 should beat the previous year by a significant margin.

In the 1986 half year the group—of the best UK based producers of polythene products—lifted its operating profit from £479,000 to £1.06m. But the provision for employees share schemes in respect of which the group took £100,000 (£83,000) and net interest was up to £137,000 (£44,000).

Tax took £303,000 (£160,000) and minorities £3,000 (£7,000) to leave the net profit at £519,000 (£235,000). Earnings worked through at 2.31p (3.27p) and the interim dividend is 1p (0.9p).

**Antler tops £500,000 at six months**

Antler, the luggage and travel goods company which made its USM debut earlier this year, raised its pre-tax profits by \$49,000 to \$20,000 in the first six months of 1986.

There is no interim dividend but in line with the prospectus forecast, a final of 2p net will be recommended. First half earnings amounted to 5.4p (4.6p).

Yesterday, Mr James Miller, the chairman, said: "As generally known, the growth experienced in manufacturing industry during the first quarter of 1986 levelled off in the Spring, but there are now signs of growth resuming."

For the year as a whole the directors expect a satisfactory outcome.

Antler came to market in April via a share sale by its parent, Harris & Sheldon, a private holding company. H & S retained a stake of just over 40 per cent.

Antler's customers include Marks and Spencer, House of Fraser (including Harrod), John Lewis, Argos and Selfridges.

**Space Planning advances 54% to £0.44m**

Space Planning Services saw taxable profits improve by 54 per cent in the year to the end of June 1986. The office design consultancy, which was placed on the USM in June, reported figures up from £286,000 to £441,000.

The result was achieved on turnover of £2.61m (£1.48m), a rise of 25 per cent. The directors say that costs were maintained in a period of substantial growth and despite taking additional premises in central London.

Earnings per 10p share came out at 5.85p (3.8p). As stated at the time of the placing there will be no dividend for the year.

Directors added that although organic growth was continuing the company was also seeking to make acquisitions to widen the range of skills that could be offered.

Operating profit was \$469,000 (£322,000) and the pre-tax figure was stated after net interest payable of £29,000 (£25,000). The tax charge was £179,000 (£127,000).

**COMPANY NEWS IN BRIEF**

**AMERICAN ELECTRONIC** Components, USM-quoted maker of switch and relay mechanisms, reported pre-tax profits of £2.94m on turnover of £10.83m for the year to the end of June 1986. In the six months to June 30 1986 pre-tax profits were £715,000 on £2.04m turnover. Earnings per share were stated at 2.37p (1.94p). A second interim of 0.525p, in lieu of a final, has already been paid

making a total for the year of 0.875p.

**HILLARDS** had continued its excellent trading with sales some 14 per cent higher. The board remained confident of further increases in sales and profits for the year to April 1987, the annual meeting was held on 23 September at St Glossop, Derbyshire, would open in November.

**BLUEBIRD TOYS** raised turnover to \$5.47m (£2.2m) and pre-tax profits to £19,000 (£88,000) in the six months to June 30 1986. Orders to date are ahead of last year's total sales. First half earnings amounted to 1.26p (0.84p). The company's 10p shares are traded on the USM.

**TIYAGHUR JUTE** Factory reported net losses for the year to June 30 1986 substantially increased from £4.78m to £12.54m on turnover higher at \$45.88m against \$30.14m. The loss per £1 share came out at 88.1p (57.15p). The directors have decided not to make any depreciation allowance because they considered the assets were worth more than their book values.

**ANGLO-EASTERN** Plantations reported turnover of £724,000 (£803,000) and profit before tax £28,000 (£30,000) for half year ended June 30 1986 — comparison included less than three months trading of estates. It would be some time before oil palm crops had material effect on revenues, so first half result was substantially from rubber and cocoa crops — and price for rubber was relatively low. Recent devaluation of Indonesian rupiah should have immediate beneficial impact on profitability.

**A & P APPLEDORE** has agreed to purchase Tower Maritime Ship Repair Services and its four subsidiaries from the Tower Maritime Group

**THE FINANCIAL TIMES**

IS PROPOSING TO PUBLISH A  
 SURVEY ON

**URBAN RENEWAL**

Publication date: OCTOBER 6th

**1 INTRODUCTION**  
 Revival of Britain's inner cities has become one of the crucial tests facing the present government as it enters the period running up to the next election. Some signs of a new spirit of the move are evident in the central business districts of a number of cities but the benefits are being transferred only very slowly to the adjoining inner areas suburbs. This survey will look at the scale of the problem in Britain's big cities, at the range of initiatives the Government has set in motion, and the approaches advocated by the other main parties.

**2 THE MECHANISMS**  
 In the 20 years since Government attention first began to focus on inner city problems a variety of devices have been employed to limit the drift away of both jobs and people and to rebuild a viable economic base in rundown areas. This section will look at some of the mechanisms now in place.

**3 PARTNERSHIP**  
 How well have the partnerships between Government departments and the big authorities been working. How justified are local authority complaints of loss of democratic control over decisions and expenditure.

**4 TASK FORCE**  
 The task force approach, first adopted in Liverpool, has been extended to another eight cities. This involves creating a small team of civil servants whose job it is to pool the financial and manpower resources available to secure local regeneration. How well is this approach working?

**5 URBAN HOUSING RENEWAL UNIT**  
 The Urban Housing Renewal Unit was set up a year ago to provide advice to local authorities looking for novel approaches to the problem of reuniting rundown estates. A progress report.

**6 URBAN DEVELOPMENT GRANTS**  
 An adaptation of an idea that has proved very successful in the USA, urban development grants have been used to fund a number of major schemes in cities throughout the country where an element of public pump priming was needed to encourage developers to go ahead. The money available has never been fully taken up, however. What is preventing UDOs from being even more successful? A new instrument — urban regeneration grants — is now proposed. How will that work?

**7 DEVELOPMENT CORPORATIONS**  
 The success of the London Docklands and Merseyside Development Corporations in transforming areas where the size and cost of dealing with problems of dereliction had proved too daunting for existing local authorities without access to large sums of public money, has encouraged the Government to look at extending the idea to other cities. This article will look at the record of the two existing corporations.

**8 THE ROLE OF THE PRIVATE SECTOR**  
 Britain's building groups and building materials suppliers have developed a number of schemes of their own for increasing private sector involvement in inner city areas. These include Fostec, a partnership between construction companies, brick makers and others, and Probe, a joint scheme involving the private sector and the Nationwide Building Society. An assessment of the contributions these and similar schemes are making.

**9 THE MAJOR CONURBATIONS**  
 Many of the big conurbations have themselves come up with initiatives aimed at securing revival in their cores. These range from Birmingham's proposal to form a joint local authority/private sector company to Glasgow Aerial, a grouping of local business interests which will try to identify projects the private sector can take on. This section will look at a range of interesting new approaches now being tried in some of the following locations:

**10** Glasgow  
**11** Birmingham  
**12** Bristol  
**13** Leeds/Bradford  
**14** Greater Manchester  
**15** South Wales Valleys  
**16** Newcastle/Gateshead

**11 THE POLITICAL BACKGROUND**  
 The lead role in co-ordinating policy for the inner cities now seems to have settled with the Department of Employment though the input of other departments — Environment, Trade and Industry, and the House of Commons — remains crucial. The emphasis under the Department of Employment is moving away from the infrastructure to the individual. The aim is to ensure money spent in the inner cities helps to equip those living there for work rather than provide jobs for outsiders. This article will assess the chances of success of this new policy and in particular will ask whether Whitehall priorities have finally been buried.

**12 POLICY ALTERNATIVES**  
 What changes in inner city policy would the Labour party introduce and what level of resources would it commit to solving the problems? This approach advocated by the Alliance parties.

**13 ARCHITECTURE**  
 The unfavourable impact made by many post war architectural ideas in the public housing field is now universally recognised. The paradigm has swung away from imposed solutions to a community approach which encourages local residents in the design of new structures. The trend examined. New ideas in inner city architecture.

Editorial information:  
 Please address all enquiries or suggestions to editorial content of this survey in writing to the Survey's Editor.

Advertising information:  
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The Company is an investment company. It will make investments in development capital opportunities in a wide spread of business sectors including industrial, financial and service companies in the U.K. and overseas. Only in exceptional cases will investments be made in companies in the start up stages of development and then only in companies managed by entrepreneurs with proven records of achievement. The great majority of investments will be made in companies where a product or service has been developed at least to the point of marketing and establishing customer demand. It is intended that the Company will qualify as an investment trust for the purposes of U.K. taxation.

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24th September, 1986

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(countervalue of FRF 105 260 000, INR 264 983 000, JPY 2 658 100 000 and USD 7 200 000)

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LONDON RECENT ISSUES

EQUITIES

Table of equity prices with columns for Name, Last, High, Low, and Change.

FIXED INTEREST STOCKS

Table of fixed interest stock prices with columns for Name, Last, High, Low, and Change.

'RIGHTS' OFFERS

Table of rights offers with columns for Name, Last, High, Low, and Change.

Remember that the only way to get the full story... is to read the Financial Times.

FINANCIAL TIMES SURVEY: The Financial Times proposes to publish an EXPORT SERVICES SURVEY on November 17, 1986.

FT CROSSWORD PUZZLE No. 6133

Crossword puzzle grid with clues and a 'DANTE' header.

Clues 1, 4, 10, 11, 12, 13, 20, 24 and 28 across, plus 17, 19 and 27 down all have something in common.

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts with columns for Name, Last, High, Low, and Change.

FT UNIT TRUST INFORMATION SERVICE

Large table listing unit trust information with columns for Name, Last, High, Low, and Change.

Scottish Unit Managers

Table listing Scottish unit managers with columns for Name, Last, High, Low, and Change.

AUTHORISED UNIT TRUSTS & INSURANCES

Main table containing columns for various insurance and unit trust providers, including names like 'Windsor Asset Management Ltd', 'City of Edinburgh Life Assurance', and 'Imperial Life Ass. Co. of Canada'. Each entry lists specific fund names and their corresponding values.

Handwritten signature or mark at the bottom center of the page.



Handwritten note: "John in 1986"

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services with columns for company name, address, and contact information.

Table listing insurance and financial services, including company names like 'Hibernian Community Soc. Ltd' and 'Scottish Capital Services Ltd'.

Table listing insurance and financial services, including company names like 'Henderson Admin. (Germany)' and 'Henderson Management SA'.

Table listing insurance and financial services, including company names like 'Miravale, 615 St. Shrs. Pl. Inc.' and 'Murray, Johnston (Inv. Adv.)'.

Table listing insurance and financial services, including company names like 'Schroder Invest Services (Jersey) Ltd' and 'Waters Investment Management Jersey Ltd'.

Table listing insurance and financial services, including company names like 'Standard Life Assurance Company' and 'Scottish Life Assurance Co Ltd'.

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MANAGEMENT SERVICES

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OFFSHORE AND OVERSEAS

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Money Market Trust Funds

Table listing money market trust funds, including company names like 'The Charles Debenhams Trust' and 'The Money Market Trust'.

Money Market Bank Accounts

Table listing money market bank accounts, including company names like 'Adams & Co. Inc' and 'The Citizens Bank of New York'.

NOTES

Text providing notes and disclaimers regarding the financial data and services listed in the advertisement.

TRADITIONAL OPTIONS

Table listing traditional options, including company names like 'Allied-Lynn' and 'Amstar'.

COMMODITIES AND AGRICULTURE

Fisheries ministers agree conservation measures

BY TIM DICKSON IN BRUSSELS

EEC fisheries ministers yesterday informally agreed an important package of technical measures to conserve fish stocks in Community waters.

Ministers have now agreed that the minimum mesh size will increase from 80 mm to 85 mm on January 1 next year.

With the Netherlands, particularly in mind, an important exception has been made for sole fishermen, who will be allowed to keep the 80 mm size provided their catches are at least 15 per cent sole and do not contain more than 20 per cent cod, haddock, whiting and coley.

Saudis to subsidise barley

BY FINN BARRE IN RIYADH

SAUDI ARABIA is taking steps to control its expensive wheat surplus and cut imports of barley by introducing subsidies for domestic barley cultivation.

Import subsidy will be left in place. Many of the barley importers have previously connections. Some observers say the subsidy will be cut but not completely eliminated.

KLCE to widen trading base

BY KWONG SUI LUNG IN KUALA LUMPUR

THE Kuala Lumpur Commodity Exchange, which was re-launched a year ago, plans to widen its base by introducing futures trading on more commodities.

has equity in the Kuala Lumpur clearing house, it still provides the clearing house for the Malaysian clearing house.

Ramie joins the textile race

By David Dowdell, recently in Wuhan, Central China

COLLEAGUES call Lin Yanping "China's king of ramie." He has played a significant part in making Hubei Province in central China one of the world's leading producers of a crop that was until recently almost ignored.

Wuhan: "We have to increase our exports rapidly now, before the US can put pressure on for a quota at the end of 1987."

Until just four years ago, ramie was grown in small quantities in the hot and fertile central Chinese provinces adjoining the Yangtze River.

China is not yet a party to commitments under the multi-fibre arrangement (MFA), but has a bilateral agreement with America on textile and garment exports expiring at the end of next year.

LONDON MARKETS

COCOA futures dropped sharply yesterday on the London Commodity Exchange for the second day as speculators continued to bail out of the market.

The orange juice futures market in New York has weakened after a four-month slumber. Prices have risen sharply since the end of last week, topping \$1.09 cents per lb yesterday in the January position.

INDICES

REUTERS Sept 23 1988 100th anniversary 1988.9 1399.8 1443.3 1750.0 (Base: September 18 1931-100)

DOW JONES

Dow Jones Sept 23 1988 2815.46 2825.46 2835.46 (Base: December 31 1927=100)

MAIN PRICE CHANGES

in tonnes unless otherwise stated. Sept 23 4 or Month 1988

Aluminium Unofficial + or - High/Low 3 months 827.5-832.5 837.5

Copper Unofficial + or - High/Low 3 months 235.5-240.5 245.5

Lead Unofficial + or - High/Low 3 months 207.5-212.5 217.5

Nickel Unofficial + or - High/Low 3 months 247.5-252.5 257.5

Zinc Unofficial + or - High/Low 3 months 207.5-212.5 217.5

Gold Bullion (fine ounce) Sept 23 382.5-387.5 392.5

Silver Unofficial + or - High/Low 3 months 411.90p 416.90p 421.90p

Rubber Unofficial + or - High/Low 3 months 112.10p 117.10p 122.10p

Grains Unofficial + or - High/Low 3 months 107.70 112.70 117.70

US MARKETS

PRECIOUS METAL futures closed lower at platinum failed to hold earlier gains.

Aluminium 40,000 lb, cents/lb. Sept 23 1988 108.20 109.10 110.00

NEW YORK

Cocoa 10 tonnes, 3 months. Sept 23 1988 2022 2075 2130

MEAT

Cattle prices based in cents per lb. Sept 23 1988 71.00 72.00 73.00

COPPER

Cash 3 months 235.5-240.5 245.5. Sept 23 1988 235.5 240.5 245.5

COCOA

Sept 23 1988 2022 2075 2130. Sept 23 1988 2022 2075 2130

NICKEL

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SILVER

Sept 23 1988 411.90p 416.90p 421.90p. Sept 23 1988 411.90p 416.90p 421.90p

HEATING OIL

42,000 US gallons, cents/US gallon. Oct 1988 41.80 41.80 41.80

ORANGE JUICE

15,000 lb, cents/lb. Nov 1988 108.20 109.10 110.00

PLATINUM

5000 troy oz, \$/troy oz. Sept 1988 512.0 512.0 512.0

SILVER

5000 troy oz, cents/troy oz. Sept 1988 411.90 411.90 411.90

SOYABEAN MEAL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00

CRUDE OIL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00

WHEAT

5000 bushels, cents/bushel. Oct 1988 22.00 22.00 22.00

SOYABEAN MEAL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00

CRUDE OIL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00

WHEAT

5000 bushels, cents/bushel. Oct 1988 22.00 22.00 22.00

SOYABEAN MEAL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00

CRUDE OIL

42,000 US gallons, \$/barrel. Oct 1988 15.00 15.00 15.00



Ramie processing at a large textile factory in Huangshi

CURRENCIES, MONEY AND CAPITAL MARKETS

Handwritten note: "The pound is up"

FOREIGN EXCHANGES

Pound rises on intervention

STERLING ROSE sharply yesterday afternoon after the Bank of England had intervened to sell Deutsche and US dollars. The amount of support was probably not very large but the psychological impact was significant...

E IN NEW YORK

Table with columns: Date, Bid, Ask, Prev. close. Rows for 1 month, 3 months, 6 months, 12 months.

Forward premiums and discounts apply to the US dollar. How successful attempts by ERM members would be to preserve EMS parity...

FINANCIAL FUTURES

Strong tone

PRICES ROSE quite sharply on the London International Financial Futures Exchange yesterday. Long term gilt futures closed at 113.18 for December delivery...

LIFE LONG GILT FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

LIFE TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

PHILADELPHIA 6 7/8 OPTIONS

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CHICAGO

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LONDON

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STERLING BOND

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STERLING SHORT GILT

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STERLING SHORT GILT

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nominated contracts also gaining support from encouraging US economic figures...

A fall of 2.6 per cent in August US durable goods was more than expected, and the rise of 0.2 per cent in consumer prices was at the lower end of the forecast range...

LIFE TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

PHILADELPHIA 6 7/8 OPTIONS

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Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

STERLING SHORT GILT

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

STERLING BOND

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

STERLING SHORT GILT

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

STERLING BOND

Table with columns: Strike, Call, Put, Last, Bid, Ask, Puts, Last, Bid, Ask. Rows for Dec, Mar, Jun, Sep.

POUND SPOT - FORWARD AGAINST POUND

Table with columns: Date, Bid, Ask, Prev. close, One month, Three months, Six months, Twelve months.

DOLLAR SPOT - FORWARD AGAINST DOLLAR

Table with columns: Date, Bid, Ask, Prev. close, One month, Three months, Six months, Twelve months.

EXCHANGE CROSS RATES

Table with columns: Country, Bid, Ask, Prev. close.

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Term, Rate.

MONEY MARKETS

London rates continue to ease

INTEREST rates continued to ease on the London money market yesterday, encouraged by a late recovery by sterling from a weak start. Trading was generally quiet...

NEW YORK RATES

Table with columns: Rate, Bid, Ask, Prev. close.

MONEY RATES

Table with columns: Rate, Bid, Ask, Prev. close.

FT LONDON INTERBANK FIXING

Table with columns: Rate, Bid, Ask, Prev. close.

LONDON MONEY RATES

Table with columns: Rate, Bid, Ask, Prev. close.

CURRENCY MOVEMENTS

Table with columns: Currency, % change, Bid, Ask, Prev. close.

CURRENCY RATES

Table with columns: Currency, Bid, Ask, Prev. close.

OTHER CURRENCIES

Table with columns: Currency, Bid, Ask, Prev. close.

CURRENCY FUTURES

Table with columns: Currency, Bid, Ask, Prev. close.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Bid, Ask, Prev. close.

FT LONDON INTERBANK FIXING

Table with columns: Rate, Bid, Ask, Prev. close.

LONDON MONEY RATES

Table with columns: Rate, Bid, Ask, Prev. close.

NEW YORK RATES

Table with columns: Rate, Bid, Ask, Prev. close.

MONEY RATES

Table with columns: Rate, Bid, Ask, Prev. close.

BOND FUTURES & OPTIONS advertisement. Includes text: 'Now offering CBOT BOND FUTURES & OPTIONS' and 'SOCIETE GENERALE \$ US 300,000,000 FLOATING RATE NOTES DUE 1996'.

FT Financial Times advertisement. Includes text: 'The Fourth Professional Personal Computer Conference London 30 & 31 October, 1986'.

Offshore & UK Companies advertisement. Includes text: 'Incorporation and management in UK, Isle of Man, Channel Islands, Turkey, Panama, Liberia, Gibraltar, Hong Kong, etc.'

APPLIED DATA SYSTEMS LIMITED advertisement. Includes text: 'SCHROEDERS decided to install the BETA DEALERPHONE SYSTEM in their London Dealing Rooms...' and 'Applied Data Systems Limited design and manufacture a wide range of telecommunication and data systems...'.

SOCIETE GENERALE advertisement. Includes text: '\$ US 300,000,000 FLOATING RATE NOTES DUE 1996'.

Professional Personal Computer Conference advertisement. Includes text: 'London 30 & 31 October, 1986'.

Offshore & UK Companies advertisement. Includes text: 'Incorporation and management in UK, Isle of Man, Channel Islands, Turkey, Panama, Liberia, Gibraltar, Hong Kong, etc.'

APPLIED DATA SYSTEMS LIMITED advertisement. Includes text: 'SCHROEDERS decided to install the BETA DEALERPHONE SYSTEM in their London Dealing Rooms...'.

BRITISH FUNDS

Table of British Funds with columns for Name, Stock Price, and Dividend Yield. Includes sub-sections for 'Shorts (Lives up to Five Years)', 'Five to Fifteen Years', and 'Over Fifteen Years'.

AMERICANS - Cont.

Table of American Stocks with columns for Name, Stock Price, and Dividend Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS - Cont.

Table of Building, Timber, and Roads stocks with columns for Name, Stock Price, and Dividend Yield.

ORAPRY & STORES - Cont.

Table of Orapry & Stores stocks with columns for Name, Stock Price, and Dividend Yield.

ENGINEERING - Continued

Table of Engineering stocks with columns for Name, Stock Price, and Dividend Yield.

INDUSTRIALS - Continued

Table of Industrial stocks with columns for Name, Stock Price, and Dividend Yield.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years)

Over Fifteen Years

Table of British Funds (Over Fifteen Years)

Index-Linked

Table of Index-Linked British Funds

INT. BANKS AND DEBS

Table of International Banks and Debts

GOVT. STERLING ISSUES

Table of Government Sterling Issues

CORPORATION LOANS

Table of Corporation Loans

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans

LOANS

Table of Loans

FOREIGN BONDS & RAIS

Table of Foreign Bonds & Rais

AMERICANS

Table of American Stocks

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks

ORAPRY AND STORES

Table of Orapry and Stores stocks

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks

ENGINEERING (Cont.)

Table of Engineering stocks (Cont.)

INDUSTRIALS (Cont.)

Table of Industrial stocks (Cont.)

HOTELS AND CATERERS

Table of Hotels and Caterers stocks

INDUSTRIALS (Miscel.)

Table of Industrial stocks (Miscellaneous)

Handwritten signature: 'John Smith' in a stylized script.

Handwritten note: "List in list"

INDUSTRIALS - Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price and other financial metrics.

LEISURE - Continued

Table of leisure-related stocks such as British Airways, British Telecom, and British Gas.

PROPERTY - Continued

Table of property and real estate stocks including British Land and various regional property companies.

INVESTMENT TRUSTS - Cont.

Table of investment trusts such as British American Investment Trust and various international funds.

FINANCE, LAND

Table of finance and land-related stocks including various banks and insurance companies.

OIL AND GAS

Table of oil and gas stocks such as British Petroleum, Shell, and other energy companies.

MINES - Continued

Table of mining stocks including Anglo American, De Beers, and other mineral companies.

INSURANCES

Table of insurance stocks such as British American Insurance and various life insurance companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including News International and other media companies.

SHOES AND LEATHER

Table of shoe and leather goods stocks such as Clarks and other footwear manufacturers.

SOUTH AFRICANS

Table of South African stocks including Anglo American and other companies listed on the Johannesburg Stock Exchange.

TEXTILES

Table of textile stocks such as British Textiles and other clothing manufacturers.

OVERSEAS TRADERS

Table of overseas trading companies including various international merchant firms.

PLANTATIONS

Table of plantation stocks such as United Plantations and other agricultural companies.

LEISURE

Table of leisure stocks including British Airways and other travel-related companies.

PROPERTY

Table of property stocks including British Land and regional real estate firms.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including various investment and financial companies.

INVESTMENT TRUSTS

Table of investment trusts such as British American Investment Trust and other funds.

FINANCE, LAND, etc.

Table of finance, land, and other stocks including various financial and real estate companies.

MINES

Table of mining stocks including Anglo American and other mineral companies.

REGIONAL & IRISH STOCKS

Table of regional and Irish stocks including various companies listed on regional exchanges.

NOTES: A section providing detailed notes and disclaimers regarding the data presented in the tables, including information on data sources and the accuracy of the information.

Recent Issues and Rights Page 43: A reference to another page in the publication containing information about recent stock issues and rights offerings.

LONDON STOCK EXCHANGE

Equities suffer as huge TSB commitment drains funds
Currency developments help Gilts

Account Dealing Dates
First Declara- Last Account
Headings Gens Dealings Day
Sept 15 Sept 25 Sept 26 Oct 6

\* \* \* \* \*
The effects of the heavy drain on investment funds caused by the Trustee Savings Bank share flotation became more apparent in London stock markets yesterday.

Several leading building societies suggested that recent cash outflows have stalled gains large enough to take out the whole of the TSB issue.

The FT indices began brightly with the FT-SE 100 shares showing a gain of nine points some five minutes after the opening.

Currency movements dominated the gilt-edged sector. The early weakness in the exchange rate index - it turned to a low of 69.0 - sent a tremor through the market but prices soon recovered.

Longer maturities encountered renewed support, selected stocks jumping 1 1/2 points and maintaining the better tone in the hours trade.

Coats Viyella nervous
After an encouraging start, leading retailers encountered occasional offerings and finally settled in the day's lowest levels.

English Trust wanted
English Trust, in which the United Kingdom Temperance and General Provision Insurance holds a 15 per cent stake, attracted renewed speculative support on rumours of an overseas bid.

put on 7 to 190p in sympathy. Bank of Scotland edged forward a penny to 423p in anticipation of today's first-half figures, while other major clearers closed mixed.

Lloyds Brokers continued firmly on currency considerations. Willis Faber added 10 to 450p and Minet put on 9 to 237p, while C. E. Heath appreciated 7 to 472p.

Local London, placed recently by Greenwell Monaghan at 135p per share, made a good debut in the Unlisted Securities Market.

Breweries gave modest ground in extremely tight trading. Institutional investors, while still clearly reluctant to direct short-term funds to the sector in the wake of the Monopolies Commission investigation into the "tied house system," consist of more common to Whitbread A. 200p.

Blue Circle were quieter after Monday's speculative rise, which reflected talk of a possible takeover bid from the more than 100 shareholders.

Occasional selling and lack of support depressed Hawker, which fell away to close 16p cheaper at 463p; the interim figures are due on October 22.

After an encouraging start, leading retailers encountered occasional offerings and finally settled in the day's lowest levels as fears of dearer money resurfaced.

FINANCIAL TIMES STOCK INDICES
Table with columns for Date, Index Name, and Value. Includes FT-SE 100, FT-SE 250, FT-SE All-Share, etc.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

of around 280m. Similar conditions prevailed in Bentalls which eased a few pence to 120p in front of tomorrow's interim results.

near-30 per cent stake in the company. Hotel and catering drifted lower for want of support.

following speculative buying on asset-adjacent or bid hopes. Boosey and Hawkes added 5 to 170p as did Plessey Data at 210p.

Speculative buying on developing prospects helped Southend stadium gain 10 to 180p in front of the start of the season.

Tops Estates relinquished 15 at 210p.

A couple of firm features emerged among otherwise idle Textiles. Spanish English and European advanced 8 to 140p as investors took an encouraging view of the company's prospects.

Investment Trusts made fresh progress under the lead of Far Eastern orientated issues.

Leading oils made progress during initial trading, with arbitrage buying in evidence, but turned easier in mid-session following news of the steep decline in L.A.S.M.O.'s interim profits and the interim dividend omission.

Leading oils made progress during initial trading, with arbitrage buying in evidence, but turned easier in mid-session following news of the steep decline in L.A.S.M.O.'s interim profits and the interim dividend omission.

ISCAPE were outstanding in Overseas Traders and moved up strongly to close better at 435p with a decline in gilt yields, considerations, firm test prices, and speculation and buying ahead of Monday's interim results as encouraging factors.

The resolute showing by platinum held prices higher, with gains of 10 to 100p in Inpala, 745p and Rastenburg, 810p. In Diamonds De Beers slipped 12 to 520p while South African Financials were no better than mixed.

Speculative buying on developing prospects helped Southend stadium gain 10 to 180p in front of the start of the season.

the dollar, prompted a sustained bout of profit-taking in mining markets and especially in South African gold.

Bullion, which made good progress in New York overnight where it closed at \$444, opened lower in London around the \$440 mark but quickly retreated to \$435.5 before ending the session at \$433—a net decline of \$6.75.

Platinum, limit-up in the US, improved to \$605 in London and held around that level for much of the day.

Gold shares were marked down at the outset of trading, mirroring the initial decline in gold, and fell away throughout the morning following persistent selling from Switzerland and London-based institutions.

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dened a shade to a 1986 high of 237 1/2 owing to a stock shortage. Cheaper priced Golds retreated across a broad front led by Stillmista, 31 off at 497p and Western Area, which dipped 25 to 310p.

Traded Options
Demand for Traded Options remained at a relatively low ebb, but dealers reported increased support for put positions which boosted the total number of contracts transacted to 15,575.

Traditional Options
First Dealings
Sept 22 Oct 6 Oct 20
Last Dealings
Oct 3 Oct 17 Oct 31

Stocks favoured for the call included Oliver Prospecting, Aramco, Iceland Frozen Foods, Priced Petroleum, J. H. B. (Pac), North Sea, Koori, Berkeley and Hay Hill, Wellcome, Vaux, Spargus, Camford Engineering, Sun Oil and Celtic Haven. No puts or doubles were reported.

YESTERDAY'S ACTIVE STOCKS
Table with columns for Stock, Closing, Day's Change, and % Change.

MONDAY'S ACTIVE STOCKS
Table with columns for Stock, No. of Shares, Day's Change, and % Change.

RISES AND FALLS YESTERDAY
Table with columns for Stock, Rise, and Fall.

NEW HIGHS AND LOWS FOR 1986
Table with columns for Stock, High, and Low.

FT-ACTUARIES INDICES
These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Index Name, Index Value, and % Change. Includes EQUITY GROUPS & SUB-SECTIONS and FIXED INTEREST.

LONDON TRADED OPTIONS

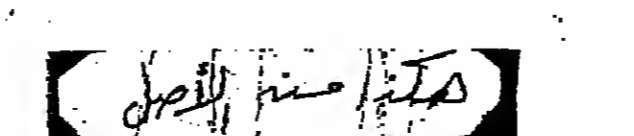
Table with columns for Option Name, Calls, and Puts. Includes Allied Lines, B.P., Com. Gold, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol., Min., Feb., and May. Includes GOLD, SILV, and various European options.

BASE LENDING RATES

Table with columns for Bank Name, Rate, and %.



WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, Japan, Canada, Hong Kong, Singapore, Netherlands, and France. Columns include country, date, price, and change.

CANADA

Table of Canadian stock markets including Toronto and Montreal. Columns include stock name, price, and change.

Indices

Table of stock indices for various countries including Australia, Austria, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, Netherlands, New York, Singapore, South Africa, and Switzerland.

OVER-THE-COUNTER

Table of over-the-counter market closing prices for various stocks, including companies like Amgen, Amgen, Amgen, etc.

Continued from Page 44

Table of stock prices for various companies, including Amgen, Amgen, Amgen, etc.

Continued from Page 44

Table of stock prices for various companies, including Amgen, Amgen, Amgen, etc.

Continued from Page 44

Table of stock prices for various companies, including Amgen, Amgen, Amgen, etc.

Table of Chief price changes in London, listing various stocks and their price movements.

Looming clouds dim the outlook

THE OUTLOOK for prices on the Tokyo stock market is clouded by three major events likely to influence supply and demand for shares for the rest of the year...

TOYO

Mr. Kenjiro Haysashi, director of the Economic Research Institute, says the impact of these three events on the market cannot be discounted. Greater attention should also be paid to the shrinkage of companies' surplus funds due to the soaring yen and the levelling off of interest rates.

AUSTRALIA

HEAVY DEMAND for leading industrial and gold stocks took Sydney higher and the All Ordinaries index posted a 10.4 point rise to 1,234.1.

SOUTH AFRICA

PROFIT-TAKING continued to push gold shares lower although some buying interest emerged later in the day to lift them off their lows by the close.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized in columns with headers like 'Stock', 'High', 'Low', 'Open', 'Close', 'Change', 'Volume', 'Bid', 'Ask', 'Last Sale'.

Continued on Page 43

Handwritten scribble at the bottom center of the page.



NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 42' and 'U.S. Govt Bonds'.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 42' and 'U.S. Govt Bonds'.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter (Nasdaq) national market closing prices. Columns include Stock, Price, Change, and Volume. Includes sub-sections for 'Continued from Page 42' and 'U.S. Govt Bonds'.

Advertisement for BONN/COLOGNE/DUSSELDORF/ESCHBORN/FRANKFURT/HAMBURG/HESSISCHE BERGSTRASSE/HOECHST/MUNICH/OFFENBACH/RUESSLSHEIM/STUTTGART/MIENNA. Includes 'HAND DELIVERY SERVICE' and contact information for Bernd Wokurka.

